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Credit Leaders of the Philippine Islands

JANUARY 1961

> NUMBER 1 VOLUME 63

Year Will Call for Extra Effort By Management, Analysts Agree

Wholesale Price Index 119.7 July 1: Production 110.4, Forecasts Average

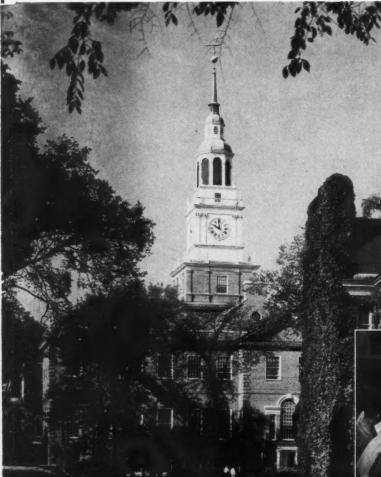
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#### IN THE NEWS

### New York Association Has Book on Data Processing

A new book on Data Processing Systems, and how they work in the credit department. is available free from the New York Credit & Financial Management association, 71 West 23rd Street, New York 10, N.Y. The volume is a cooperative achievement of Remington Rand Univac Division and the association's credit advisory committee on electronic accounting under the chairmanship of John J. Lynch, credit manager of Prentice-Hall, Inc.

One section describes a number of reports, on such subjects as customer histories, general ageing of accounts, and unapplied cash.

The next section explains their use in the credit department. Answered are such questions as the role of the ledger card in data processing. Reports produced by automatic machines are illustrated by operations of a hypothetical company.

A course on data processing is being given by the New York Institute of Credit with Michael A. C. Hume as instructor, assisted by Mr. Lynch.

GEORGE R. VILA has been elected president and chief operating officer of United States Rubber Company.

G. Hunter Culley II, president of Liberty Brazing and Welding Company, Pittsburgh, has been elected treasurer of the Smaller Manufacturers Council.

LLOYD M. POWELL has been named chairman of the executive committee and chief executive officer of Dictaphone Corporation.

C. Henry Reinhardt, Jr., is executive manager of the American Safe Deposit Association at the newly established permanent national headquarters in Bergenfield, N. J.

Kenneth S. Bevan, vice president and manager of credit sales, Market Wholesale Grocery Company, San Marino, Calif., has been promoted to the rank of lieutenant colonel in the U. S. Air Force Reserve. LEARN HOW YOU

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### **EDITORIAL**

### Confidence in the Future

E have recently completed one of the most spirited national political campaigns in our modern history.

The results were so extremely close as to raise compelling doubts concerning the unity of aims and purposes of the people of this land of ours.

These reflections on our national unity—at least as they bear upon our relationships with the other peoples of the world—must be laid to rest, and quickly.

Dramatic world problems—portending major crises not very far ahead—face our new Administration.

The picture in Latin America can best be described as explosive. In Cuba, a showdown appears likely between Castro and anti-Castro forces during this coming Spring, and the tempo of buildup of strength on both sides has been stepped up sharply.

Local anti-governmental efforts in other Latin American areas are being subverted in traditional Communist attempts to "make hay" for Moscow.

In Africa there is a slow erosion of American influence among nations which feel they can gain more from an anti-American attitude than they can by placing themselves openly in the western camp.

Even in Western Europe, tendencies toward less dependence on U. S. leadership, and in the direction of "neutralism", can be discerned, not only through West Germany's reluctance to contribute to the support of U. S. troops, but in England and France as well.

In the face of these overwhelming tensions, we in this country must quickly set aside campaign predictions of the dire consequences which would face us if one or the other political party were victorious.

The economy of our nation is stronger than any political party, and while we must be always ready to constructively express ourselves in the shaping of national policies, it behooves us to display to the world the inexhaustible strength of purpose of a free society.

At this time of year, let us therefore, through our faith in the spirit of Christmas, gain the courage to renew our confidence in the future of mankind.

As we begin a new year, let us resolve to display to a world which hungers for a taste of freedom, the dignity and strength which derive from a reasoned and mature exercise of political and economic liberty.

alan S. Jeffrey

EXECUTIVE VICE PRESIDENT

### THE JANUARY COVER

THE newest affiliates of the National Association of Credit Management are the more than 140 members of the Association of Credit Men, Inc., Philippine Islands, with headquarters in Manila and servicing the entire Pacific Theatre. An article appears on page 34.

In the front cover picture are



shown the officers and directors of the Manila affiliate. Left to right:

D. GUIDOTE, Caltex (Philippines)
Inc., association director;

C. G. LADISLAO, Manila Electric Company, alternating for G. F. Rost of same company;

E. GUIDOTTI, Filipinas Compania de Seguros, alternate director;

P. P. CAMBEL, manager of the association:

A. Roxas, First National City Bank of New York, secretary-treasurer and director:

W. C. Tecson, China Banking Corporation, president of the association;

D. R. RAHN, International Harvester Macleod, Inc., director;

P. W. HANNAFORD, Atlantic, Gulf & Pacific Co. of Manila, Inc., director;

G. F. Rost, Manila Electric Co., director;

F. R. TRINIDAD, Del Rosario Bros. Marketing Corporation, alternate director;

L. Panaguiton, Jr., Goodyear Tire & Rubber Co., of the Philippines, Ltd., alternate director.

V. Pacis, Jr., of Commerce Bank & Trust Co., vice president and director, was out of the country when the picture was taken.

You lose your peace of mind when you give someone else a piece of it.

-Edmund S. Whitten

# FINANCIAL MANAGEMENT

General Manager, Alan S. Jeffrey Official Publication of The National Association of Credit Management

### **VOLUME 63**

### NUMBER 1

### IN THIS ISSUE

	Page
Confidence in the Future—Editorial Article by Alan S. Jeffrey	4
Year Calls for Extra Effort, Business Leaders Emphasize	8
Business Will Resume Pace of Advancement in 1961, Say Economists, Educators, and Top Managements of Industry in CFM's Sampling of Executive Outlook, But They Differ on Quarter in Which Marked Rise Will Manifest Itself.	
Wholesale Price Index Will Be 119.7 July 1st, Industrial Production Index 110.4, Forecasts Average in Annual Poll	14
Honors Paid Edwin B. Moran for Extended Services to Profession	17
A Design for Corporate Living	18
Credit Manager's Role If His Company Goes EDP	20
Executives Give 10 Reasons Why Using Toll Lines Pays Dividends	20
Source of Specialized Credit Decision Data: Industry Meetings at Denver Convention	3]

DEPARTMENTS: In the News, Page 3—Washington, Page 6—Management at Work, Page 22—Modernizing the Office, Page 24—Book Reviews, Page 29—Efficiency Tips, Page 29—Keeping Informed, Page 29—On the Personal Side, Page 30—Calendar of Coming Events, Page 39—Personnel Mart, Page 39—Executives in the News, Page 41—Reports from the Field, Page 42

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### Washington

THE 87th Congress convenes Tuesday, January 3. Among proposals of interest to business and credit management to be acted upon or rejected will be further extension of the corporate income and excise taxes at their present temporary rates, extension of the temporary public debt ceiling, increase in postal rates, federal fair trade legislation, a minimum wage bill, measures to limit business expense deductions, to repeal the present dividend credit, to provide for the withholding of tax on dividends and interest, and an area redevelopment bill.

This is only a part listing. In the previous Congress there were 13,304 bills introduced in the House and 3,926 in the Senate, not counting a multitude of concurrent, joint and other types of resolutions introduced in both chambers. A number of proposals of direct concern to credit management will be up for consideration, as follows.

### Tax Priorities in Bankruptcy

Re-introduced will be a proposal to limit the priority and non-dischargeability of unsecured tax claims in bankruptcy. At the present time all taxes—federal, state and local—even though unsecured by a tax lien, have unlimited priority in bankruptcy over the claims of general creditors and are not dischargeable.

The National Association of Credit Management has proposed that the priority and non-dischargeability of such claims be limited to only such taxes as become legally due and payable within the year preceding bankruptcy. Due to strenuous Treasury Department objections, the House modified this proposal so as to call for a three-year limitation. In this modified form the bill passed the House in the two previous Congresses, but failed to receive Senate action.

### Secured Interests in Bankruptcy

A new bill to clarify uncertainties arising from the Quaker City Uniform case, by restoring chattel mortgages and other contractual liens to their original first priority in bankruptcy above administrative expenses, wage claims and landlord's liens, will be presented in somewhat modified form. The previous Congress passed such a bill (see CFM, October 1960 p. 6) but the President vetoed it on the basis of certain Treasury Department objections. Among reasons outlined by the President; "... It would unduly and unnecessarily prejudice the sound adminis-

tration of federal tax laws. In some cases, for example, mortgages would be given an unwarranted priority over federal tax liens even though the mortgage is recorded after the filing of the tax lien..." The new bill is designed to overcome some of the Treasury's basic objections without defeating the bill's primary aim of achieving greater clarity as to the relative priority status of other secured interests.

Another bill attacks the problem of federal lien priorities by way of proposed amendments to the Internal Revenue Code. The proposals resulted from a year-long study by the American Bar Association's committee on federal liens prior to the previous Congress. Although a heavy tax legislation calendar prevented their consideration by the last Congress, hearings are expected this year. According to the ABA committee, "The bill would alleviate many inequities which have resulted from the judicial interpretation of present provisions of law, under which mortgages, contract purchasers, mechanic lienors, sureties, landlords, attorneys, warehousemen, state and local governments, and other lien creditors have been subordinated to subsequently arising federal tax liens, and thus in effect have been required to bear the burden of another person's federal taxes."

### More Liberal Depreciation

Other proposed amendments to the Internal Revenue Code will seek to provide more liberal depreciation allowances for capital expenditures. The Treasury Department has sent out questionnaires to some 2,680 commercial and manufacturing corporations requesting information on their current depreciation practices as well as their recommendations for changes in the law. Under present law, business is not permitted to recover enough capital to replace obsolete or worn-out equipment. Depreciation in terms of original dollar investment does not take into account the doubled, and in many cases tripled, equipment costs of the past decade or two.

An Administration bill before last year's Congress, but not acted upon, would have treated income from the sale of depreciable property as ordinary income to the extent of the depreciation deductions previously taken on the property. Treasury objections to full deprecia-



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### Year Calls for Extra Effort,

THE Business Picture 1961? Overtones of upswing, by extra effort, say participants in this magazine's assay of representative top management opinion. (The advance may be "painfully slow", one puts it). Comment is divided as to when it will come. One or two see even more sliding of the economy.

Cited as factors to determine the year's trend are future Government action on inflation and tax revision, increasing wage demands, erosion of earning power. Emphasized are need of extra effort and efficient, progressive operation. Auspicious signs current: continuing rise of personal income, maintenance of consumer-buying tempo.

One economist sees Gross National Product at \$525 billions in the fourth quarter.

### He's Cautiously Optimistic In Absence of Real Trend

CARL A. BIMSON

President

American Bankers Association, and
Valley National Bank

Phoenix, Arizona

### Better '61 for Wide-awake And Progressive Companies

CHARLES P. McCormick Chairman of Board McCormick & Company, Inc. Baltimore, Maryland



THE ABSENCE of any clear-cut trend, as well as the uncertainty expressed by many economic writers, makes business forecasting particularly hazardous right now. Nevertheless, I am hopeful and cautiously optimistic about the prospects for 1961.

The continuing rise in personal income and the maintenance of consumer buying are encouraging. Currently, savings are increasing, which should create a backlog of purchasing power for future consumer use. Any recent business weakness was not caused by lack of public buying so much as it was by efforts of business firms to reduce inventories. While such reduction may not be ended yet, most of its effects have already been felt.

While housing construction has declined somewhat, the outlook for the next year is favorable, largely because of the anticipated greater availability of credit.

One of the most important factors will be the attitude of individual consumers and their willingness to channel a larger percentage of their disposable incomes to the purchase of durable goods.

Early reports from the automobile industry indicate a good acceptance on the part of the public, which might well mean a better year than 1960 and a favorable reflection on steel production.

Normally, consumer spending and borrowing habits are quite stable, as has been demonstrated many times, and only a major development would cause an extreme cutback in his aggregate purchases of goods and services.

IN LOOKING FORWARD into the Sixties one may hesitate to make predictions, but it seems that the course of human, political and economic events is destined to follow certain patterns or routes already charted.

With these known factors in mind it is reasonable to expect the next decade to be an era of many changes, and we should be prepared for them.

First, before 1961 is a month old our youngest elected President will take office and, with him, we will have youth entering into many other high government positions. This may call for some extremely liberal viewpoints—because youth is inclined to be more liberal than the elder statesmen. On this point I feel that there'll be a blending of established leadership with youthful enthusiasm to make a great team for America. I think America was so destined no matter who won the 1960 election.

Our nation's interests are not being served by the confused racial and religious utterances now coursing through the land, but the large majority of Americans are middle-of-the-road, stable people, who, fortunately, will not yield to the fanatical fringes on these subjects.

If labor will be patient and realistic in the wage situation, then we can avoid added inflation and our economy will start moving upwards toward high pro-

### Business Leaders Emphasize

duction and wide distribution of our nation's products.

Altogether, I see a better '61 than '60 for the wide-awake, progressive firm that is thinking of the customer—first, last and always.

We welcome the new year with enthusiasm.

### Some Pickup in the Spring, Then Gradual Strengthening



ROBERT W. FRENCH
President
Tax Foundation, Inc.
New York, New York

BUSINESS ACTIVITY in 1961 should continue at a high level with some pickup in the spring and a gradual strengthening in the later months. The effect of government will almost surely be less than the forces at work in the private sector of the economy—reduction of inventories, high consumer income, and projected expenditures for plant and equipment. International tensions will continue to maintain pressure throughout the year.

Trends in defense and non-defense expenditures, plus political developments and the continued downturn of business, indicate that if any change occurs in federal expenditures it will be upward, and that the 1962 budget will show a further increase.

Moreover, the trend of expenditures into 1962 will certainly be upward again after the small decline which followed the high recession level of expenditures in fiscal

In 1961, state and local government expenditures are likely to go up by at least their usual annual increase of \$3 to \$4 billions. The relatively large volume of bond issues approved in the fall elections suggests the increase in expenditures may be even larger.

While some stimulation of business activity may be expected from this increase in federal, state and local government spending, it will certainly raise the specter of further inflation, and should not obscure the need for major tax reform. The outlook for the economy, not only in 1961, but for the next several years will probably be more significantly affected by what the government does about inflation and tax revision.

### Credit Executives' Outlook

A "slow start" in the new year "with accelerating improvement during the latter half" is the consensus of the 153 participants in the Credit Executives' Outlook for 1961, a survey by NACM's Credit Research Foundation, Inc. They say the extent of recovery "will be in relation to increases in government and consumer spending and in capital outlays for business expansion".

For the complete report, which surveys a number of aspects of the financial picture for 1961, with emphasis on potential credit problems and anticipated solutions, write Credit Research Foundation, National Association of Credit Management, 44 East 23rd Street, New York 10, N.Y. Single copy \$1.50; discount for bulk orders.

### Progress in Early Months, But May Be Painfully Slow

RALPH E. BROWN

President

National Assn. of Credit Management

Vice President

Marsh & McLennan, Inc.

St. Louis, Missouri



A N ECONOMIC adjustment started last spring. A review of available figures suggests that it is still with us, but it continues to be mild, with every expectation of improvement in the early months of the new year, though that improvement may be painfully slow.

Inventory spending, a decline in which, together with that of residential building, has been a principal factor in reduced business activities during the past year, has shown very little tendency toward recovery. Yet manufacturers' new orders, which furnish a more reliable indication of the future of business, have shown encouraging improvement.

While there are still many soft spots in our economy, there likewise are many encouraging signs that promise betterment and foreshadow the end of this adjustment period by late winter or early spring.

Each industry must base its ideas and future planning of its business upon certain assumptions for the economy

(Continued on following page)

as a whole, for few industries stand on their own record. Practically every industry is dependent, to a greater or less degree, upon what happens to other industries. Therefore, it is my estimate that the annual rate of growth of our economy in 1961 will turn out to be of about the same magnitude as it was in the Fifties, which was 3.8 per cent in real terms.

### More Inflation Would Call For Insurance Rate Rise



JOHN A. NORTH

President

National Board of Fire Underwriters, and
The Phoenix of Hartford Companies

Hartford, Connecticut

A T THE MOMENT it looks to me as if business, in 1961, will witness increased inflation, an unbalanced federal budget, and a rash of new bills in Congress, the effect of which will be to take even more of the people's money from their paychecks.

Demands for higher wages to meet higher costs of living will aggravate the inflationary spiral, for which the people will have only themselves to blame.

Of course the impact of this situation on insurance companies like ours can be rather severe. It will call for unusual efforts to be put forth in order to obtain needed rate increases to offset the anticipated inflated claims which are bound to follow such an economic travesty.

### Strong Recovery Mid-year After a Seasonal Decline



JACK M. SEILER

Executive Vice President
A. J. Armstrong Co., Inc.

New York, New York

BUSINESS will recover strongly and steadily about mid-1961, although immediately after the New Year there will probably be a slight, seasonal decline in production and consumer buying, unemployment will increase moderately, and profits will continue downward.

The decline, however, will run its course during the first half of the year and the economy start firmly upward thereafter as a result of the following:—

1. Inventory accumulations will have been materially reduced and it will be necessary to start rebuilding them.

2. Substantial progress will be made towards eliminating marginal producers, excessive overhead, feather-bedding, and costly and inefficient production methods which resulted from our previous hurried growth.

3. Modernizing production methods will require purchase—and production—of new plant, machine tools and equipment, and will enable us to compete better in world markets.

4. The new Administration, although more conservative than campaign promises might indicate, will have a decided impact upon the economy:-

a. Credit will be eased.

b. Major road construction, on the planning boards for years, but bogged down until now, will leap forward.

c. School building and public housing will be encouraged.

d. Aid to foreign underdeveloped countries will be increased—in a manner to enable them to purchase more of our goods and farm products.

e. Steps will be taken to alleviate unemployment in distressed areas.

f. Measures will be adopted—such as easier financing and insurance against devaluation and political risk—to sharply increase exports to a hungry world, eager to elevate its extremely low standard of living.

5. All the above will restore public confidence, causing a renewal of consumer buying and an upsurge in our production and economy.

### Greater Stability to Come After an Unsettled Start

FORTUNE PETER RYAN
President
Royal McBee Corporation
Port Chester, New York



THE business outlook appears somewhat unsettled as we enter 1961, but there are good indications that it will soon show greater stability and give us a vigorous start into the new decade. There is sound reason for optimism.

The business machines industry faces the same pressures on profit margins that confront most others; but like many other companies, we in Royal McBee are constantly moving to increase the efficiency of our operations to meet this problem. Saleswise, we know that the growth of business and industry generally will be reflected in the growth of the business machines industry as a broad supplier of basic equipment and methods.

### Complaining Overdone, No Sign of Serious Downturn



RAYMOND RODGERS Professor of Banking New York University New York, New York

THE COMPLAINING of recent months has been overdone. With but few exceptions, all of the important business indicators have been at record levels. While it is true that the upward swing in business activity did level off, we continue at high levels, and there is no prospect of any serious downturn.

Christmas trade generally will be at record levels and, while there may be a slight slowing in the first six months of 1961, it will, in all probability, be followed by a marked upward swing.

Politics aside, the new Administration is committed to an expanding economy. Platform and campaign promises which will not contribute to that goal will undoubtedly be put aside. The transition from the Republican Administration to the Democratic Administration promises to be one of the smoothest ever known—that is, it will cause no appreciable hesitation on the part of business. Consumer income and spending will be maintained at high levels. Government spending will increase and inventory liquidation will no longer press down on business spending.

But, most important of all, the aggressive credit ease policy of the Federal Reserve authorities, following the long period of aggressive credit restraint, will be even more effective than usual.

### Rising Trend Second Half After Brief Readjustment



B. F. EDWARDS, JR.
Vice President and
President's Assistant-Personnel
Bank of America NT&SA
San Francisco, California

THE CURRENT readjustment in the economy appears likely to come to an end in 1961, with business activity again in a rising trend during the second half of the year. The decline in Gross National Product should be limited, carrying GNP for 1961 to a level only moderately below \$500 billions.

The hesitancy in the economy at the present time

results from a slowdown in consumer buying and a shift in business inventories from accumulation to liquidation. Business spending on plant and equipment has remained at a high level, but some weakness in this area seems likely to develop in view of declining profit margins and more than adequate capacity in many industries.

Several factors suggest that the readjustment may be relatively brief and moderate. The disappointing performance of the economy during 1960 prevented the development of "boom" excesses in important sectors of the economy, such as inventories and capital spending. Thus, the need for significant corrections probably is not too great. The early and substantial easing in monetary and credit conditions in 1960 by the Federal Reserve Board also should help to moderate the business adjustment, particularly if housing responds to the increasing availability of mortgage funds. In addition, spending by the federal government is rising, reversing its downward trend from mid-'59 to mid-'60.

The anticipated strengthening in residential construction and the rising level of federal spending should help to provide the basis for a renewed advance in economic activity during the second half of 1961. A pickup in consumer buying also is expected to contribute support to that advance, as consumer incomes, possibly benefited by a tax cut, are likely to be well-maintained during the readjustment.

### More Squeeze on Earning Power Could Spell Trouble

W. A. PATON Professor Emeritus University of Michigan Ann Arbor, Michigan



DECLINING business earnings in the face of larger sales, and declining earnings per dollar of sale even where total earnings have increased somewhat, increasingly familiar phenomena, indicate that business managements in many lines may find it difficult to prevent further erosion of earning power in 1961. And if the squeeze on earning power continues for long we are in for trouble. Business earnings are a key factor in a private-enterprise economy (and we still have something left of the "private sector"). Earnings are crucially important in providing capital funds for plant modernization and expansion, in furnishing a basis for attracting a flow of new capital, and in giving encouragement to those who are making the decisions on the firing-line of business activity.

The election results, in my judgment, also give the business sky a bearish cast, particularly from the point of view of savers and investors, the backbone of the (Continued on following page)

market economy. Even if it be assumed that the near-50-50 division of the popular vote will chill the enthusiasm of "liberal" politicians for great acceleration of the pace with which we have been moving into socialism, we can look for heavy pressures toward:

(1) a marking up of the legal minimum wage (with the accompanying inevitable tendency to magnify un-

employment problems);

(2) a rekindling of the New Deal attack on the electric power industry, especially via new subsidized government power projects (with the impairment of the values of the securities of the public utilities and consequent loss to individual and institutional investors);

(3) strengthening of the already dangerous monopoly powers of the labor unions (with further upward pressure on wage rates and prices, more work stoppages, increasing inefficiency, and continued weakening of the U.S. competitive position in foreign markets);

(4) a partial return of war-time price controls (in an effort to satisfy those who have been clamoring for government action to break down the alleged "administered" price structure in some industries and to curb the inflation sure to be set in motion by (3) and the expansion of federal spending to achieve the "New Frontiers" in school "aid", hand-outs to oldsters, public works, more "defense", higher farm prices, more "aid" abroad, and so on. A return to excess-profits taxation is also a distinct possibility, although probably not in 1961.

Particular business fields, I recognize, may be benefited temporarily—and superficially—by increased federal spending and interference, but the outlook for good business earnings in general, either for the near future or the next few years, is not encouraging. I should add that I have in mind a level of earnings measured in today's dollar, not the dollar of reduced purchasing power which we will be using as we move into the alluring pie-in-the-sky future which has been charted for us.

### Relatively Good Year for Food Industry Indicated



CHARLES G. MORTIMER
Chairman
General Foods Corporation
White Plains, New York

THE coming year should be a relatively good one for the food industry. Even a moderate slackening of general industrial activity in 1961, predicted by many economists, would not seem to threaten this prospect. Total food expenditures continued upward both in 1954 and 1958, the years that marked the last two business dips.

Taking a longer range view, the food industry outlook is even more promising. Based on government estimates, this industry looks for sales to increase by an average of \$4 billions a year, bringing the total sales figure by 1970 to an estimated \$115 billions.

In the next 10 years, some 33 million young men and women will become new wage earners and purchasers of consumer goods. There will also be a record number of almost 20 million people reaching 65 years of age, who will have different nutritional and taste requirements. There will be a growing number of working women requiring convenience foods.

For General Foods, our capital expenditures investment for our current fiscal year, which ends March 31, 1961, is expected to total almost \$50 millions, compared

with last year's record \$34.6 millions.

Fiscal 1960 was a record year in net sales, net earnings, and physical volume of products sold. We expect this favorable trend to continue.

### Foresees Sinking Economy In the First Six Months

A. J. SUTHERLAND Senior Vice President Security First National Bank San Diego, California



BELIEVE that during the first six months of 1961 we will experience a sliding economy.

Both private business and government spending will take some time to adjust itself to the conditions.

### Company's Expansion Plans Testify to Its Confidence

WALTER P. MARSHALL

President

The Western Union Telegraph Co.

New York, New York



MY OPINION on the business outlook for 1961 is best indicated by the fact that Western Union has launched the greatest expansion program in its long history. We are pushing rapidly ahead with building and expansion requiring net capital expenditures of \$105 millions in 1961 on top of \$45 millions in 1960.

### Sees \$525 Billion Annual GNP Rate Fourth Quarter



ARTHUR R. UPGREN
Professor of Economics
Macalester College
St. Paul, Minnesota

N THE first ten months of 1960, total personal income in the United States rose \$14 billions, total consumption increased \$9 billions, and the families of America increased their rate of saving by \$5 billions. In this same period, the expenditure of business for total plant and equipment rose modestly, but the expenditure of business for investment in inventory fell by \$12 billions.

Because personal income and consumption are holding up, total production must rise as soon as the reduction in investment in inventory comes to an end. That should be by the end of the first quarter of 1961.

Credit is more easily available, and the supply of funds for housing loans is growing rapidly.

Therefore, 1961 should see a steady recovery in output, which should lift our gross national product to \$525 billion annual rate in the fourth quarter of 1961. This will mean adequate employment, no inflation, and income rising sufficiently to take the increased productivity of which our economy is competent.

### Alert Firms Will Continue To Get Funds For Growth



THEODORE B. LUSE

Vice President

James Talcott, Inc.

New York, New York

THE new leadership in Washington, as any new Administration, desires continuation of our economic growth.

A comparatively simple, but perhaps unfortunate, method of stimulating our domestic economy is through a sharp reduction of interest rates. Much care should be exercised before this step is taken.

In 1961, alert, aggressive firms with capable managements will continue to be able to obtain the funds they need to finance real growth from the banks, from investors, and from the commercial finance and factoring industry.

### Bright Side Far Outshines The Patches of Darkness

DONALD C. POWER

Chairman and
Chief Executive Officer
General Telephone & Electronics Corp.
New York, New York



THE ADJUSTMENT will continue into the early part of 1961 and the upturn should come sometime after the first quarter.

This is a dynamic economy, and variations from time to time are inevitable, but depressions as we once knew them are a thing of the past, because there are built-in safeguards we didn't have before. Nevertheless, no one has yet devised an economic machine that can go at full steam continuously, and the American free enterprise system is no exception. This economy of ours has been breaking one record after another in recent years, and even though business has softened somewhat in recent months, the bright side of the picture far outshines the dark areas that we see here and there.

### Year Will Be as Good as Businesses Will Make It

LEO E. KUCERA

General Credit Manager

Consolidated Foods Corporation

Chicago, Illinois



WE LOOK AHEAD with optimism toward the coming year. We have closed a year of tensions, uncertainty, discussions and arguments brought about by world problems and our own November elections.

Now that the air has cleared somewhat, we in business must settle down to some serious evaluating of the great potentials ahead for sales, and better credit control methods. Next year's business should be as good as we make it—through use of extra effort, efficient operation and an optimistic outlook.

Revolutionary changes are taking place in practically all lines of business through expanded research, to create new products and markets, as well as new and efficient methods of operation. All of this points to a continuation of employment at its unprecedented high levels and justifies the outlook for a bright year.

### Wholesale Price Index Will Be 119.7 July 1st; Industrial Production, 110.4, Forecasts Average

B USINESS will be showing improvement, though slight, by mid-year, according to an averaging of forecasts by more than 100 credit and financial executives in the annual sampling of industry and impinging interests by Credit and Financial Management Magazine.

Belief that not only will the mild readjustment of the last several months come to a halt, but that the economy will take the first steps toward resuming the cadence of its forward march, is reflected in these predictions:

The Industrial Production Combined Index (Federal Reserve Bank) will read 110.4 by July 1, and

The Wholesale Price Index for All Commodities (U.S. Bureau of Labor Statistics) will be 119.7.

The former was 109 at mid-1960 and 110 at mid-1959.

The Wholesale Price Index stood at 119.5 at the corresponding date last year, at 119.7 in 1959. Thus each Index would recover the ground lost since mid-1959.

That credit and financial management does closely interpret business trends is evidenced by the fact that the average of predictions for mid-1960 was 1 point above the actual Wholesale Price Index and but 2 points above the actual Industrial Production Index.

Participating in the current survey are company presidents, vice presidents, treasurers, corporate secretaries, credit managers, controllers, financial officers, economists, accountants—a cross-section of the more than 35,500 members of the National Association of Credit Management.

	Wholesale Price Index For All Commodities	Industriat Production Adjusted Combined Index
O. F. Sleeth, SectyTreas., Virginia Electric Inc., Charleston, W. Va.	118,9	103
Paul M. Hoefer, Treas., The Southern Co. Inc., Memphis, Tenn.	. 119	-
P. C. Baichly, Ralston Purina Co., St. Louis, Mo.	121.2	119
D. J. Darley, Credit Mgr., SKF Industries, Inc., Philadelphia, Pa.	. 120	105
W. J. Regan, Vice Pres., The Illinois Canning Co., Hoopeston, III.	121,6	133
Mrs. Lucretia D. Cline, Customer Accts. Supvr., Choctaw, Inc., Memphis, Tenn.	. 119.9	110
H. D. Johns, Credit Mgr., Sawhill Tubular Products, Inc., Sharon, Pa.	. 120.2	109
W. C. Pigford, SectyTreas., C. E. Thompson Lumber Co., Memphis, Tenn.	. 118.1	107.7
W. E. Anton, Credit Mgr., The Master Builders Co., Cleveland, O	. 119.9	112.1
Paul O. McCormick, Credit Mgr., Pierce Packing Co., Billings, Mont.	. 123	120
W. W. Workman, Gen. Credit Mgr., Union Oil Co. of California, Los Angeles, Calif	. 119.6	108
A. J. Meyers, Branch Mgr., Miller-Bryant-Pierce, Smith-Corona Marchant Supply Dept., Memphis, Tenn.	. 120.7	110
John Eiseman, Asst. Vice Pres., The First Pennsylvania Banking and Trust Co., Philadelphia, Pa.	. 120	115
J. W. Stickley, Asst. Treas., Credit Mgr., Plough Inc., Memphis, Tenn.	. 119.8	101
I. J. Jeffries, Gen. Credit Mgr., Hershey Chocolate Corp., Hershey, Pa	. 119.4	108
Frank J. Romeo, Asst. Vice Pres., 1st National Bank of Memphis, Memphis, Tenn	. 120.5	110
Harold D. Pollitt, Secty., Schlatter Hardware Co., Inc., Fort Wayne, Ind.	. 121.5	115
M. J. Hansen, Treas., Cole Manufacturing Co., Memphis, Tenn.	. 119.9	112
H. C. Cogan, Treas., Parker-Hannifin Corp., Cleveland, O	. 118.6	106
Erwin L. Peterson, Credit Mgr., Shawnee Distributors Inc. (Mohasco Industries) Chicago, III.	. 119.6	107
H. B. Benson, Pres., Road Builders Equipment Co., Memphis, Tenn.	. 119.7	110
J. A. Landale, Pres., Colonial Textile Service, San Diego, Calif.	. 119,5	-
C. W. Mattson, Credit Mgr., Grinnell Co. of the Pacific, Seattle, Wash.	119.8	HI
Herbert H. Swafford, Credit MgrAsst. Treas., Duff Brothers, Inc., Chattanooga, Tenn.	120.5	110
George F. Johnson, Credit Mgr., Nat Buring Packing Company, Inc., Memphis, Tenn.	121.2	139
Bryce D. Davidson, Mgr., American Credit Indemnity Co., Philadelphia, Pa.	115	120
G. E. Daniels, Asst. Treas., Rockwell Manufacturing Co., Pittsburgh, Pa.	119.1	108
Wallace P. Covington, Pres., Ace Electric Supply Co., Jacksonville, Fla.	119.3	110
D. M. Kladstrup, Asst. Gen. Credit Mgr., Eastman Kodak Company, Rochester, N.Y.	119.5	116

(Forecasts	continued	from	preceding	page
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(Forecasts continued from preceding page		Industrial
	Wholesale Price Index For All Commodities	Production Adjusted Combined Index
Catlin L. Lawson, Credit Mgr., Frigidaire Sales Corp., Portland, Ore.	119.3	-
Ed. A. Argus, Vice PresSecty., The Julian and Kokenge Co., Columbus, O	121	111
Milton Tschache, Treas., Columbia Electric & Manufacturing Co., Spokane, Wash.	118.7	108
R. M. Kraichnan, Gen. Credit Mgr., The Budd Company, Philadelphia, Pa	118.5	130
Otis K. Lawson, SectyTreas. & Credit Mgr., Electric Constructors, Inc., Birmingham, Ala.	120.7	-
F. M. Battle, Secty-Treas., General Steel Tank Co., Birmingham, Ala.	120	120
Robert G. Harrop, Jr., Gen. Credit Mgr., A. O. Smith Corp., Milwaukee, Wis	119.8	112.8
W. L. Honnold, Credit Mgr., Appliance Distributors, Inc., Peoria, III.	120.1	_
John R. Mueller, Asst. to Treas., Carpenter Paper Co., Omaha, Neb.	119.7	113
Charles Bertsch, Jr., SectyTreas., Barclay, Ayers & Bertsch Co., Grand Rapids, Mich.	120	_
R. J. McKenna, SectyAsst. Treas., The Toledo Plate & Window Glass Co., Toledo, O.	118.8	108
M. R. Cushing, Financial Dept., Graybar Electric Co. Inc., Cincinnati, O.	122.2	_
Jess A. Swaney, Asst. to Treas., Harris-Intertype Corp., Cleveland, O	121.6	114
J. W. Crawford, SectyTreas., Railey-Milan, Inc., Miami, Fla.	120	-
Gilbert Purvis, Treas., Atlantic Steel Co., Atlanta, Ga	121	112
Norbert S. House, Treas., The Howard Zink Corp., Fremont, O.	_	107
C. E. Harris, Treas., The H. T. Hackney Co., Knoxville, Tenn.	119.2	105
J. W. Howell, Gen. Credit Mgr., The Timken Roller Bearing Co., Canton, O	_	107
I. L. Hillman, Treas., Dravo Corp., Pittsburgh, Pa.	120.4	110.5
J. W. Bowyer, Vice PresTreas., Omaha Steel Works, Omaha, Neb.	119.6	111
T. A. Johnson, Credit Mgr., The Youngstown Sheet and Tube Co., Youngstown, O.	119	105
Earl Blumenthal, Exec. Vice Pres., Hyland Electrical Supply Co., Chicago, III.	122.4	118
H. B. Simpson, Vice Pres. & Dir. of Credit Sales, The American Lubricant Co., Dayton, O.	118.5	107
O. H. Hendriksen, Gen. Credit Mgr., Russell Miller-King Midas Mills, Minneapolis, Minn.	119.1	108
Anthony Ameduri, Asst. TreasCredit Mgr., Mahoning Valley Supply Co., Youngstown, O	119.9	111
Louis Stoskopf, Jr., Credit Mgr., Victor Chemical Works, Chicago, III.	118.9	108
J. Leroy Vosburg, CPA, Partner, Fernald & Co., Philadelphia, Pa	119.4	129
M. M. Nield, Gen. Credit Mgr., American Can Co., New York, N. Y.	120.8	126
B. Reiner, Treas., Fromm and Sichel, New York, N. Y	120.2	_
L. K. Morse, Credit Mgr., Bridgeport Brass Co., Bridgeport, Conn.	119.1	109.2
S. F. Sayer, Vice Pres., First Pennsylvania Banking & Trust Co., Philadelphia, Pa.	118.6	111
Albert G. H. Hanssen, Jr., Controller-Mixed Fertilizer Div., W. R. Grace & Co., Baltimore, Md.	121.3	113
Bernard C. Zipern, SectyController, Red L Foods Corp., Great Neck, N. Y.	119.8	110
Fred J. Hertel, Asst. Treas., Elgin National Watch Co., Elgin, III.	118.7	111.2
W. L. Holmes, Asst. Treas., Schlumberger Well Surveying Corp., Houston, Tex.	118.4	107
P. E. Schenck, Div. Credit Mgr., Container Corp. of America, Philadelphia, Pa	121.5	107
M. P. Hayes, Vice Pres., Bigge Drayage Co., San Leandro, Calif	119.1	108
E. R. Costello, Gen. Credit Mgr., Edgcomb Steel Co., Philadelphia, Pa.		112.1
Gilbert J. Timone, Gen. Credit Mgr., American Oil Co., New York, N. Y.	120.1	FIO
tra Rothfarb, Controller, Typhoon Air Conditioning Co., Div. Hupp Corp., Brooklyn, N. Y.	119.3	801
W. G. Mertens, S.W. Area Credit Mgr., Armour and Company, Fort Worth, Tex.	118.9	_
Milton J. Wied, Controller, Newhouse Paper Co., Minneapolis, Minn.	119.6	119

(Continued on following page)

(Forecast continued from preceding page)	Wholesale Price Index For All Commodities	Industriat Production Adjusted Combined Index
D. H. Foster, Treas. Electrical Supplies, Inc., Hartford, Conn.	120	115
E. W. Buge, Controller, Bernardin, Evansville, Ind	. 119	100
Joseph J. Rydell, Treas. Allied Electric Supply Co., Hartford, Conn.	120.5	-
Dillard J. Watson, Credit Division, Stark, Wetzel & Co., Indianapolis, Ind.	. 121.5	127
R. H. Buchheit, Regional Mgr. Credits and Acct'g., The Sherwin-Williams Co., Dallas	. 119.6	112
E. A. Anderson, Cr. Mgr., Sundstrand Mach. Tool Div., of Sundstrand Corp., Belvidere, III.	. 122.5	114.5
C. H. Karn, Credit Mgr., Ray-O-Vac Co., Madison, Wis	. 120	115
R. H. Melone, Gen. Credit Mgr., The Electric Auto-Lite Co., Toledo, O.	. 119.3	108
G. W. Meglasson, SectyTreas., Plowden Supply Co., Houston, Tex.	. 119	108
D. D. Kelly, SectyTreas., The Galigher Co., Salt Lake City, Utah	. 119.7	110
William G. Lampe, Credit-Accts. Receivable Mgr., Abbott Laboratories, N. Chicago, III.	. 119.3	109
K. J. Forshee, Gen. Credit Mgr., National Lead Co., San Francisco, Calif	. 120.1	110
John P. Dunsmore, Credit Mgr., San Antonio Light, San Antonio, Tex.	. 121	107.5
Charles H. White, Dist. Controller, Carnation Co. of Oklahoma, Tulsa, Okla.	. 121.5	_
Robert J. Huffman, Mgr. Credit Dept., American National Bank & Trust Co. of Chicago, Chicago, Ill.	. 118.5	117
Donald I. Sroat, SectyCredit Mgr., Honolulu Electrical Products Co., Ltd., Honolulu, Hawaii	. 120.1	108
V. L. Munger, Gen. Cr. Mgr., Libby, McNeill & Libby, Chicago, III.	. 119.4	107
E. W. Lutz, Asst. Treas., The General Tire & Rubber Co., Akron, O.	. 119.7	107
Eldred H. Scott, Vice Pres. & Controller, Detroit Edison Co., Detroit, Mich.	. 118	96
J. Roy Pierson, Vice Pres., Thomas Field & Co., Charleston, W. Va.	. 120.2	110.5
Frank P. Glenn, Secty., Camden Lime Co., Camden, N. J.		110
William A. Hess, Mgr., Brown Brothers Harriman & Co., Philadelphia, Pa.		104
R. E. McDaniel, Gen. Credit Mgr., Certain-teed Products Corp., Ardmore, Pa.		110
Thomas Tait, Credit Mgr., Abbotts Dairies, Inc., Philadelphia, Pa.		110
Harold H. Berg, Treas., Dakota Electric Supply Co., Fargo, N. D.		110
W. R. Hitchcock, SectyTrees., The United Clay Products Co., Washington, D. C.		108
Victor E. Cummins, Gen. Credit Mgr., The Mead Corp., Dayton, O.		110
Stewart D. Rusby, Asst. to Treas., Ansco Div., Gen. Aniline & Film Corp., Binghamton, N. Y.		109
C. M. Cohen, Cr. Mgr., Hatfield Wire & Cable Div., Continental Copper & Steel Indus., Inc., Hillside, N. J.		111
		110
G. W. Stafford, SectyTreas., The L. A. Benson Co., Baltimore, Md.		_
Martin E. Bruce, Credit Mgr., Humble Oil & Refr. Co., Humble Div., Houston, Tex.		105
Everett A. Wickstrom, Asst. Secty., The American Hardware Corp., New Britain, Conn		108
F. J. Hamerin, SectyTrees., Lilly Varnish Co., Indianapolis, Ind.		
James M. Heppenstall, Vice PresTreas., Birdsboro Corp., Birdsboro, Pa		110
George M. Wallace, Credit Mgr., Lukens Steel Co., Coatesville, Pa		105
A. G. Morrison, Pres., Morrison Industrial Equipment Co., Grand Rapids, Mich.		109
George W. Mann, Vice PresCredit Mgr., Thurow Electronics, Inc., Tampa, Fla		126
J. C. Acuff, Gen. Credit Mgr., Butler Manufacturing Co., Kansas City, Mo.		112
J. W. Sattazahn, Credit Mgr., Scott Paper Co., Chester, Pa		110
M. V. Johnston, Director-Credit, Gulf Oil Corp., Houston, Tex.		105
Joseph R. Rohrer, Credit Mgr., Keasbey & Mattison Co., Ambler, Pa.		112
Albert Pauly, Cradit Mgr., Samuel Cabot, Inc., Boston, Mass.		110
R. F. Wisch, Trees., Baxter Co., Duluth, Minn.	120.5	118

### RESOLUTION

adopted November 11th by the Board of Directors of the National Association of Credit Management, meeting in Chicago.

WHEREAS Edwin B. Moran will have served the National Association of Credit Management for 42½ years on the occasion of his retirement on December 31, 1960, and

WHEREAS he has devoted himself unstintingly, unselfishly and devotedly in every capacity from Sales Representative to Executive Vice President throughout all of these years, and

WHEREAS he has been, since 1916, one of the most outstanding contributors to the advancement of the credit profession, and

WHEREAS the members of this Association, now and in the years to come, will benefit from the strong foundation for sound credit management principles and practices which he has so effectively helped to build; be it

RESOLVED, that the Officers and Directors of the National Association of Credit Management at its meeting on this 11th day of November 1960 at the Edgewater Beach Hotel in Chicago, Illinois, express their deep and heartfelt appreciation and gratitude to Edwin B. Moran for his priceless contributions to the advancement of the credit profession, the furtherance of the aims and ideals of the National Association of Credit Management, and the development of its affiliated local associations.

The Resolution was signed by Ralph E. Brown, president, and Alan S. Jeffrey, executive vice president.

### Tearney on National Committee Of Insurance Commissioners

Orville B. Tearney, manager of credits and corporate insurance, Inland Steel Company, Chicago, has been appointed a member of a newly organized Insurance Consumers Committee of the National Association of Insurance Commissioners.

The new group will serve as a subcommittee of the Unauthorized Insurance Committee of the national organization.

Mr. Tearney is president of The Chicago-Midwest Credit Management Association.

### Edwin B. Moran Honored for His Many Years of Service to Credit

EDWIN B. MORAN, who was succeeded by Alan S. Jeffrey as executive vice president of the National Association of Credit Management on July 15, and since has been a full-time consultant, is now continuing to be available, part-time, in an advisory and consultive capacity.

Mr. Moran, in his 42½ years of service, is the only individual who has held every executive staff position in National, after beginning as a salesman. Successively he was a department manager, division manager, national sales manager, assistant staff secretary, secretary, staff vice president, and executive vice president.

Several "firsts" may be credited to Mr. Moran. He was organizer and first manager of the National Credit Interchange System and the Central Bureau. He was the first division manager. He organized the initial National Credit Group, among refiners, now known as the American Petroleum Credit Association.

Mr. Moran is believed to be the first man in the credit field to have been president of a Sales Executive Club and the only creditman president of the Rotary Clubs of both New York and Chicago.

He is an Honorary Fellow of the Canadian Credit Institute, and until retirement he served on advisory committees of the University of Illinois and Pace College in New York.



He is the author of "The Credit Side of Selling" and a contributor to trade publications. The magazine American Business named him one of twelve nationally known "Popular Speakers for Sales Meetings."

National's board of directors, meeting in Chicago, adopted the Resolution published in an adjoining column and presented him a plaque and a gift. During his period of full-time consultive service, many associations have honored him with special recognitions of his contributions to the credit profession.

Mr. Moran has moved to his former home area near Chicago and has established residence at 209 South Ioka Avenue, Mount Prospect, Ill.

### Salute to Eugene S. Elkus, 94

Dean of Credit in the West and oldest living past president of the National Association of Credit Management, Eugene S. Elkus was recipient of many tributes on the occasion of his 94th birthday, October 9th. Mr. Elkus was first West Coast representative of entire West Coast and of the Credit Managers Association of Northern and Central California at the 1902 credit convention in Louisville. He was president of the San Francisco association 1922-23.

During his presidency of National (1924-25), a fund of over \$1 million was raised for Fraud Prevention. Offices were established throughout the country. Mr. Elkus is founder and first president of Vigilantia, Inc., and he established the Eugene S. Elkus, Sr. Foundation. His office is in the financial district of San Francisco.

# A Design for Corporate Living

Visual "integration of all points of public contact is essential to modern companies" NOW FAMOUS Jones and Laughlin Steel trademark, designed by Gerald Staht Associates several years ago, has become the pacesetter for many new corporate identity programs since introduced. The easily recognized symbol of leadership has become the focal point of many outstanding industrial marketing programs.



ORPORATIONS which compete in the financial community must have a visual personality



GERALD STAHL

which reflects leadership, clarity and dynamism. They must also communicate this image forcefully to key members of the financial audience, believes Gerald Stahl, a

leading industrial designer, with offices in New York City.

"Businesses today want to attract new stockholders, hold present shareowners, appeal to security analysts, investment bankers and the financial press. A fully integrated design program which ties together all points of public contact of all divisions of a corporation into one central and dynamic impression is a necessity for a modern company wishing to reach all its publics, including these financial groups," says Mr. Stahl.

He cites an example of a company which recently did take full advantage of its design program: U.S. Industries, Inc. (USI). Though the company's 14 divisions offer diversified products and services, "a common graphic design slogan was prepared to obtain immediate public recognition and reflect the company as a progressive leader of its industry."

A design symbol, according to Mr. Stahl, is simply "graphic symbolism above and beyond a good trademark, corporate signature and corporate colors. Its purpose is to achieve instant recognition, so that even if the trademark or lettering is not visible, everyone can recognize who the company is and what it stands for." The new USI symbol, he noted, is being seen by millions of people on products, packages, correspondence, advertising, literature, at plants and other locations.

To the financial audience the story of the new symbol was told in various ways. A special booklet titled "A Major New Mark in American Industry" was prepared, describing the changeover. Readers were reminded, "Now diversified products and services are united by a common leadership and a single high standard of performance under one banner." Customers and others "will know that the same level of achievement may be expected wherever this new mark appears."

USI also told stockholders and

financiers about the new program in its annual report and displayed the new symbol by advertising in financial and business publications.

Another, contrasting, example of a design program described by Mr. Stahl is that of American Hardware Corporation, New Britain, Conn. "AHC set up a separate and distinct program for each of its three divisions: Corbin, Russwin and Kwikset. Since each division already had a well-established standing as a leader in its field, the division personality was preserved in the new program and the corporate look submerged. Package re-design was an important aspect, with new packages providing far better display appearance and product protection, along with a considerable saving in the costs of packaging.

"Then, to tell the new story to all publics including financial, AHC prepared a booklet for each of the three divisions." The one for Corbin states, "... the new hallmark will be seen and known everywhere, to increase the efficiency of day-to-day operations through order and clarity and to heighten recognition and appreciation of the Corbin name."

The entire inside back page of

INDUSTRIAL DESIGNER Gerald Stahl, head of Gerald Stahl, Inc., New York, is one of America's foremost professional designers. In the past 14 years he and his staff have developed design programs for many of the nation's major corporations, among them Jones & Laughlin Steel, American Hardware, U.S. Plywood, American Chain & Cable, U.S. Industries, Nichols Aluminum.

These programs have helped set new standards in product design, package design and marketing, and are gaining the attention of top industry leaders in marketing strategy.

AHC's annual report for 1959 gave the story of 'The New Look.' Readers were told: "These new marks and designs, the result of extensive research and evaluation, will appear on each division's products, packages, advertising and displays as dominant and clearly identifiable symbols of a company dedicated to progress." The financial audience was further reminded: "Of major importance are the substantial savings in materials and packing costs which have resulted from this overall design research program."

Indirect impressions at times can be more important than the annual report mentions or special booklets. For, as the design executive points out, "financiers, and investors, are also people who shop in supermarkets or drug stores, notice trucks and trains passing by, read regular advertising, open boxes and read print on them. Thus they can be influenced through these normal channels.

"In addition to the annual report and special booklets, there are many other direct means of informing the financial audience about a company's new design program. Key ones are:
1) interim and quarterly reports;
2) exhibits at annual and regional shareholder meetings;
3) window displays in stock exchange member firm offices;
4) talks before security analyst groups;
5) business and financial press advertising and publicity."

### Industry Design Needs

"Every phase of industry has its design needs," Mr. Stahl notes. "Management of a leading petroleum corporation were astonished to find, on field and site visits, that they couldn't tell their own barrels and drums from their competitors'.

There were no clear memorable markings to identify their products.

"The company made a survey of how the public regarded it, determined what themes it wanted to express through design, and developed a new design plan for all product lines and promotion media.

"A major producer of wood products for the building trade wanted to market new wood trims and lacquers. The items were to be sold in expanded distribution outlets. Management knew it needed a strong product image impact. It retained an industrial design firm, which determined that a single trade name had become favorably associated with the company's product and name, though it had no visual association which could be adopted for the new packaging. A brush stroke motif was developed with color differentiations to distinguish product lines. The program was so successful that the company also adopted the design for its corporate insignia.

"A hardware manufacturer had neglected to police his trademark. Such a variety of markings was being used that even management lost track of the company's true 'identity.' Corporate colors ranged the spectrum; lettering of the company signature used a half-dozen variations; trademark reproductions on packages were so poor that dealers had to hunt for the correct items.

"Management, aided by an industrial design firm, studied the situation; retained but stylized certain designs, and created new ones. The designer prepared a specification manual indicating how the new trademark, corporate color scheme and design motif were to be used in all applications and media—and how not to be used. The end result was a clear and forceful impression of products, lines and company utilizing every opportunity to win friends and make sales."

These are some of the many examples of American businesses which are making full use of modern design programs, says Mr. Stahl.

Here's why: "In today's highly competitive economy each industry has its handful of leaders. A complete visual program is an essential step in being recognized as a dynamic, pace-setting company."

### HAVE YOU MADE NEW YEAR'S RESOLUTION NO. 1 FOR 1961?

- ◆ I hereby resolve to mark my calendar today to be in Denver next May 14 to 18 to attend the 65th Annual Credit Congress.
- ◆ I further resolve to place my convention reservation early with my local association to help the NACM plan the finest convention program in its history.

NOTE: Each month, Credit and Financial Management prints convention news. Plans for the Industry Group Meetings are described on page 31.

### Credit Manager's Role If Company Goes EDP

Should Provide Leadership in Setting Program to Get Needed Data

By PAUL A. HENSCHEN\*
Director of Management
Advisory Services

Price Waterhouse & Co. St. Louis, Missouri

THE BUSINESS WORLD now has had extensive experience in data processing of various



P. A. HENSCHEN

t y p e s, starting with manual data processing a n d including integrated, automated, mechanized a n d electronic data processing — IDP, ADP, MDP and EDP. The underlying

programs all advocate logical systems analysis, informed and objective determination of data requirements, elimination of duplication and unnecessary work, simplification of procedures, and selection of the best suited techniques and equipments. Certainly the element of cost is one of the major factors to consider in this selection.

Equipment, forms, and operating costs can vary from very minor to very substantial amounts. Monthly rentals of \$50,000 or more for some electronic data processing systems are not uncommon, and quite a few companies are paying office equipment rentals in excess of \$1,000,000 a year. This does not include salary and other operating costs, nor any of the initial or continuing programing, conversion and installation costs.

### How to Obtain the Pay-out

Big costs like these require big benefits. The pay-out can be obtained by saving money in the data processing activities or by making money through the medium of more useful data on a more timely basis. The cost savings side of EDP was oversold in the earlier years. Experience proved that the costs of programing and converting frequently were underestimated and the expected cost reductions often were less than anticipated.

I believe that the period of bally-hoo and gross exaggeration now belongs to history. Many systems have been installed satisfactorily and many more are on order. The computing hardware is extremely reliable and the internal computing speeds have approached the speed of light. The biggest problem today seems to be to get people thinking on a scale to match the tremendous potential scope, speed and capacity of the hardware. Such thinking must come

can be a very sizeable look-up problem. This is time-consuming but may not be too difficult if you have ledger cards showing the precise balance outstanding for each customer, provided, of course, that these ledger cards are up-to-date.

However, it may be necessary for clerks to add a number of individual invoice totals to arrive at the balance outstanding, if invoice copies or invoice punched cards constitute the open accounts receivable. This complicates the problem and, no doubt, is one of the disadvantages of a ledgerless accounting system for the accounts receivable application. However, it may not be serious because

In a company's electronic data processing program, the credit manager "should provide leadership in establishing the requirements for adequate credit management information, and should also guide the development of the program to handle the mechanics of credit decisions to insure that these activities fit into the overall data processing system."

-Paul A. Henschen

from the hardware manufacturers, the company programers and methods people, the outside consultants, and, perhaps most importantly, from the operating people who know their needs and can visualize how this tremendous tool can be put to work with the greatest advantage.

### **Automation of Credit Applications**

The credit manager is a decision-maker, and proper decision-making requires the right data at the right time and place and at a reasonable cost. Ideally, the credit acceptance and collection functions should be administered so as to minimize the total costs associated with lost sales, bad debts and credit administration. With this in mind, let us consider how automation can be applied to the credit applications.

Certain aspects of the credit acceptance functions appear susceptible to automation. Foremost would be the checking of the credit status of limited credit customers, which many of those customers probably will have two or less invoice cards on file. Nevertheless, whichever method is used, this checking of credit status on a manual basis can be time-consuming, expensive, and error-prone.

This is the type of application which is well suited to electronic data processing. This look-up operation can be programed so that the order number, customer number, and order amount for each order can be read into the computer from cards or paper tape, separately keypunched or punched as a by-product of the order writing operation. The computer then would automatically compare the order with the credit rating data and accounts receivable data, and reject those accounts that cannot be approved for credit on an automatic basis.

With the proper conditions, this application could be programed so that all preliminary screening for credit could be performed on the computer, thus assuring a more timely and accurate credit check,

<sup>\*</sup> From an address by Mr. Henschen before the Food Products and Allied Lines Manufacturers Industry Group at the 64th Annual Credit Congress.

with a probable reduction in time and expense. Such an arrangement also would simplify the problem of rejecting credit for an account which has turned sour, and would provide greater assurance that this is done. All orders which cannot be approved automatically could be read out on a reject tape to show the order number, customer number, reason for rejection, and, where applicable, credit rating and accounts receivable data. I will touch on this application again later.

Very little has been done to date to automate the clerical routines connected with accepting credit. I would add a prediction that, in time, many companies will be automating the credit status look-up operations.

### The Collection Responsibilities

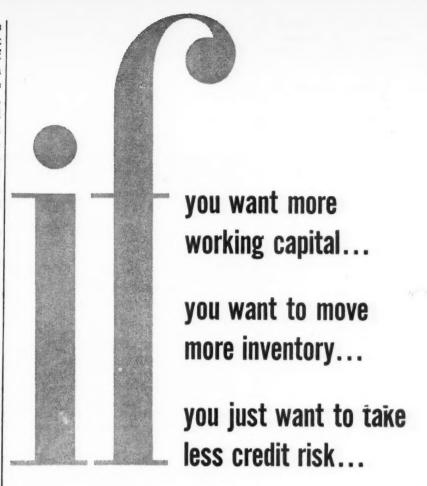
Now, let's move on to the collection side of the credit department's responsibility.

There are many factors associated with effective collection action, but perhaps the most important of these is promptness of follow-up. Given enough active customers, the sheer size of the problem could serve to make promptness a difficult virtue to attain without the proper tools for the job.

There seems to be widespread agreement that tabulating equipment and EDP equipment can be of considerable assistance in this area. Companies are using tabulating equipment today to pull accounts receivable invoice cards on the day they become delinquent, to prepare aged trial balances of accounts receivable, and to signal accounts that have passed a discount. With this type of equipment, it has also become feasible to prepare various types of credit analysis, such as sales and bad debts by credit rating, delinquency and bad debt ratios by product line, by geographical area, by sales terms. Perhaps at first glance these analyses would seem to have limited value, but observance of the trends of some of these statistical data could be extremely informative and could provide you with worthwhile and timely ideas for improving results. It is precisely this type of information which can supplement your knowledge and sharpen your judgment in decision-making.

Other possibilities for mechanization include the selection of accounts

(Concluded on page 40)



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Assets
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HIS, concisely, was the financial picture of the XYZ Company, a corporation operating as a building materials dealer and contractor for construction of custom houses. Paid-in capital of \$40,000, plus an additional \$15,000 provided by the corporation president and its vice-president, had long since been poured down the rathole.

Main contributory causes were:
(1) Sponsorship of a half-hour TV
program, (2) woefully inadequate
bookkeeping and accounting, and
(3) champagne appetites on beer incomes. The principals knew that unpaid bills were mounting, but money
was flowing through their hands
daily and they assumed that they
would soon work out from under.

With ten years of more-or-less successful operation behind them, the principals were confident that the fall building season would see their debts paid. They had weathered a couple such storms. However, when a creditor attached their bank account and emptied it of its \$13,000, they were brought to a screaming halt. Banks and friends, to whom they had turned for temporary loans in the past, closed their purses. Checks amounting to \$8,000-plus were returned to depositors marked "Insufficient Funds." Had the company turned to the bank-

### MANAGEMENT AT WORK

### .... a problem case is solved

by D. A. CORSKIE, Credit and Office Manager, Exchange Lumber & Mfg. Co., Spokane

ruptcy court, the records would have shown: Liabilities, \$72,000; Assets, None; Claimed Exempt, None.

Here enters what I consider the most important factor in the acceptance of credit: Character. The principals could have declared bankruptcy and walked away. Instead, they called a meeting of creditors.

The accountant's statement, presented to the creditors at the initial meeting, listed liabilities of \$48,000 and assets of \$26,000 consisting of accounts receivable. Actually, these accounts receivable were all disputed and represented unsettled claims against completed houses. It required another six months of operation to bring out the true picture.

Creditors reasoned there was no possible way to prevent closing the firm. Any partial recovery would have to come from blood, sweat and tears, combined with patience and forbearance on the part of creditors. The ability of the principals was unquestioned; the rich farm belt surrounding our town was dotted with their well-built homes.

A creditors' committee was formed. On its recommendation, notes were issued to all major creditors on a one-year-renewable basis. In all more than 50 notes were issued. As funds became available, small creditors (amounts less than \$100) were paid.

A working agreement was drawn up, with these specifications:

- 1. Sales of new house jobs carried a commission for the man making the sale. Commission to be paid pro rata from draws as received. Salesmen (the president and an employee) to over-see each job to its completion. This included buying and scheduling of materials.
- 2. Labor to be contracted. The vice president and a job-foreman competed for each job sold. This bid covered all construction including framing, roofing, siding and finishing.
- All subcontracts plumbing, wiring, and so on—to be bid competitively by contractors in those lines.
- 4. Bids were to be submitted to purchasers on the basis of the above formula plus a percentage for overhead and commissions and plus a percentage for profit—or return to creditors.

Not all was beer and skittles. The



LIAISON in rehabilitation of teetering account. Facing camera (1 to r) are George A. Share, secretary and sales manager for dealer divisions, Exchange Lumber & Manufacturing Co., Spokane; D. A. Corskie, credit and office manager; and James A. Dahl, general manager. Facing them is D. B. Triplett, Jr., sales manager, contractor-industrial division.

FROM summers of work in sawmills of the small lumbering town of Harrison, Idaho, D. A. Corskie moved to Spokane and attended Northwestern Business University. After 14 years with a firm at Harrison, he returned to Spokane in 1950 and became associated with Exchange Lumber & Manufacturing Co., first as salesman, then purchasing agent, and, in 1953, credit manager.

committee recommended to all suppliers that they protect themselves in the clinches with lien rights.

All this took place in 1957. By January, 1958, all complaints had been settled—a costly process which used up all profits from new construction, and more. Net result of the first six months under creditors' committee: No return for creditors, some new bills owing, all work completed, none scheduled, and a long, cold winter ahead.

In February, I called on the president. A more dejected man could not be found. His partner, the vice president, was extremely critical of the operation and felt he had been bypassed on certain jobs.

Some of the committee provided jobs, such as collecting old accounts on commission. With eating money provided, the company bid successfully on some jobs. New rulings were issued by the committee:

1. A separate bank account to be established for each job.

2. No checks to be issued unless money was actually in the bank in the proper account.

All current bills to be discounted.

It was, of course, necessary to ask creditors to renew the notes. In the main, they did.

Net result of 1958's operation was a substantial reduction in notes payable. Enough money was retained to "see them through" the slow winter months. All 1958 bills had been discounted (which contributed substantially to the profit picture). Major suppliers had enjoyed—and still do—a steady, profitable account. 1959 and 1960 saw a further reduction. 1961 looks good, with further payments. All this in the face of comparatively slow building years in this area.

Given one good year or two fair years, all creditors will be paid.

You're
in a
good spot



to build sales and profits...

# Speed credit o.k.'s by Long Distance

You can keep your business moving faster through planned use of Long Distance. It can help you gather the facts you need *right now* . . . tactfully and personally.

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748 APECO DESKTOP ELECTRO-STAT completely automatic Photocopy unit of American Photocopy Equipment Company utilizes a new electrophotographic technique which produces with unusual clarity, at rate of five copies a minute, permanent blackon-white copies of any written, printed, typed, drawn or photographed material, and is said to be particularly precise in reproduction of halftones and solids. Additional advantages: every Electro-Stat copy is an offset master capable of producing up to 200 copies; unit plugs into any 20 amp. 110 volt outlet. It may be purchased or rented.

### **Transistor Intercom**

749 All-transistorized, compact CHIEF REDI-Power Intercom unit of Talk-A-Phone Company is less than 3" high, yet is said to overcome high noise levels and to provide complete intercommunication. Device is self-compensating to deliver up to full 20 watts of power to all or any group of stations, at predetermined volume, when called simultaneously as well as individually. Standard features include private or non-private operation of masters and staffs, busy signals and monitoring signal.



### Vertical Tab File

750 Unique Vertical Card Tray of TAB PRODUCTS COMPANY for machine accounting cards can be indexed at either or both ends. Follow-block can be inserted any place in "Tabtray" and works facing either way. Both ends are flat and square, so Tabtrays stand on either end, unsupported. In addition to compression follow-block, tray accepts new type of follow-block of English design called Card Controller, with plastic bound steel springs. Descriptive brochure illustrates complete line of trays, trucks, cabinets.



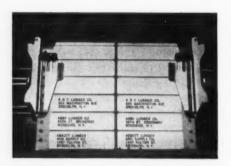
### Side-by-Side Labels

751 Simultaneous imprinting side by-side of two and three identical sets of labels is possible with pinfeed pressure-sensitive labels of Allen Hollander Company. Designed for fast, split-wire printing on data processing equipment, the "able-stik" Double and Triple labels can cut machine time 50 to 66\%3\%, says maker. Provided in multiple perforated widths, labels are easily broken apart after imprinting. In fanfold form, the pin-feed labels feed directly into data processing unit from packing box and refold automatically.

### No-Darkroom Microfilmer



752 Desktop, no-training-required Microfilm Reader-Printer of Docu-MAT, INC. utilizes photographic process that will recapture an enlarged print from even the poorest source document under ordinary lighting conditions, notes maker. Device can be used to consult microfilmed documents and reproduce true photographic enlargements simultaneously and with no extra motions required. Automatically produces positive prints from negative microfilm or vice versa; and delivers cut sheets that eliminate need for tear-off operation.



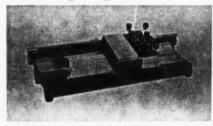
This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein, Please address MODERNIZING, Credit & Financial Management, 44 East 23rd St., New York 10, N. Y.

### Two Versions Copyholder



753 SPEEDRITE Accounting model Copyholder of Hall-Welter Company, Inc., comes in two models, Accounting and Secretarial. Accounting model (shown) accepts ledger and other wide documents up to 18" width, is collapsible for easy storage when not in use. Features: built-in magnifier which slides on and off easily and adaptability to all typewriters, including electric on desk pedestal. Touch of finger on trigger brings next reading line into vision. Flexibility in adjusting to height, focal distance and tilt relieves neck and eye strain.

### **Auxiliary Key Punch**

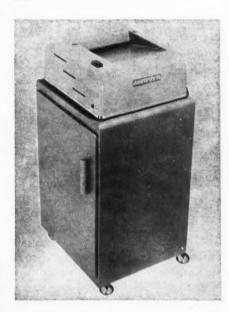


754 Entirely mechanical in operation, "Model 001" Personalized Auxiliary Key Punch of PANELS WIRES, INC. offers simple, convenient means for punching numerical data into IBM cards, serves as auxiliary punch for immediate replacement of damaged cards or for making corrections or additions without need to interrupt normal routine. Portable "001" fits on desk or top of machine. Built-in receptacle catches punching chips. Numerical keyboard is standard IBM design, maker notes, and punch has tab stop and quick release.

AUTOMATES PAPER FOLD Electrically driven Conqueror automatic electric Paper Folder of Heyer, Inc., can automatically feed, fold and count 110 sheets a minute and stack them in an adjustable receiver. Changes can be easily made from one kind of fold to another.

### **Executive Paper Shredder**

755 Practical for use in executive offices, bookkeeping and advertising departments, Destroyit Paper Shredder of Michael Lith Sales Corporation destroys up to eight sheets of bond paper at once into thinnest shreds. In one hour, device can provide 88 lbs. shredder packing and shipping material from what was previously thrown-out waste. Handsome shredder, on casters, comes with movable cabinet and removable waste-bin. Dimensions: 34\%" high, 17\%" wide, 15\%" deep; weight 71 lbs.



### **Encourage Automation for Economic Growth: Diebold**

A U. S. fiscal program that includes encouragement of business innovation was proposed by John Diebold, head of The Diebold Group, in testimony before a subcommittee of the Joint Economic Committee of Congress. Automation, he said, should be considered a tool for economic growth.



### **Accounting Machine**



756 DATA-FLO Accounting chine line of Underwood Corporation is designed for use at central or widely scattered locations for the preparation of original documents or to perform initial accounting functions while capturing essential data in paper tape for further automatic processing. Specifically engineered to actuate and control paper tape punch, device is available in a variety of numeric and alpha-numeric models. Flexible method of mechanical programing, tape perforator that is integral part of machine are features.

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## Credit Executives Give Ten Reasons Why Using Toll Lines Pays Dividends

MULTIFOLD advantages to credit operation by use of the long distance telephone are underlined by management in this concluding chapter of a study introduced in the September issue. Most frequently advanced are these plus-factors:

1. Speeds communication with customer.

2. Creates or retains goodwill of "marginal."

3. Compels some kind of answer or promise.

4. Rapid turnover more than offsets costs.

5. Enables profit-building liaison with Sales.

6. Brings changed conditions quickly into focus.

7. "Can't throw phone call into wastebasket."

8. Aids "on-the-spot" survey for distressed account.

9. Takes guesswork out of account's reactions.

10. Builds public relations for the supplier.



Credit Is Second to Sales In Use of the Toll Lines

ROY W. HAKE Secretary, Credit Manager The Duke Manufacturing Company St. Louis, Missouri

N EXT TO speaking face to face with a customer, the telephone offers the best means of complete communication. After a few words of greeting you can fairly well judge the mood of the prospect, his personality, his level of education or technical knowledge of your product or service, and, to a degree, his sincerity and character. Thus armed, you can adjust to his mood.

Speed of telephoning is unbeatable in sales communication. More personal approach, it also places a psychological label of "Important" on your customer.

You can "time" your communications. A letter is placed on your customer's desk with many others, but he can receive only one telephone call at a time.

When merchandise is ready but we have no credit file on a new customer, a telephone call to another of his suppliers often helps us reach a decision.

We also have used the long distance telephone in cases where the account has a past-due balance or with this shipment would exceed our credit limit. This has been very successful, as the dealer usually is anxiously awaiting the merchandise and sends his check by return mail.

One account that runs a sizeable balance gets daily or at least weekly shipments. Letters will not produce any checks, but after a phone call we always can count on a check within a week.

In our company the credit department ranks second to the sales department in volume of long distance calls.

Case History Depicts How Credit Line Was Set Up

EDWARD J. FITZGERALD

Vice President
James Talcott, Inc.
New York, New York



J AMES TALCOTT'S New York office pays a very substantial telephone bill each month, and development of new business accounts for a good portion of that cost.

The basic function of our company, one of the oldest and largest in the commercial and industrial financing and factoring field, is to provide working capital funds to manufacturers, processors and distributors "when needed, where needed and in the amounts needed."

I make and receive up to 50 telephone calls a day and more than half of those are long-distance calls.

One morning recently I received a call from a banker in North Carolina. He could not aid a local borrower because the latter needed more than the bank could provide, in view of the prospect's net worth position.

I called the prospect and discussed his particular problems and his needs. (All our clients have their own problems and needs, and few cases are similar. To obtain all necessary facts quickly, personal conversation is essential.) Then I called our representative in Charlotte.

When he was convinced that the prospect could use our funds profitably, our representative called me, gave me the details, and asked that one of our field analysts be sent. This is a routine procedure to check records.

Our chief field analyst then phoned one of his analysts who was in Richmond with another client. The analyst was in the new prospect's office the following morning. In the meantime, we had called the potential borrower and given him the name of the analyst and his expected time of arrival.

After spending two days with the prospect, our analyst returned to New York and presented the case to an account executive familiar with that area. As a result, credit of more than \$150,000 was approved. I called the client to let him know of our decision and to introduce him to the Talcott senior officer who would work closely with him.

Finally, I called the banker in North Carolina, thanked him for the referral.

At the cost of a few long-distance telephone calls, we had obtained a new client who could use more than \$150,000 in financing.

Multiplying this case by the hundreds investigated every month by us and our offices from coast to coast, the importance of our long-distance calls becomes even more obvious.



### Phone Call Makes Possible Increase in Line of Credit

ARTHUR L. ANDERSON

Treasurer

American Scientific Laboratories, Inc. Milwaukee, Wisconsin

If our credit department were restricted to the use of the long distance telephone call for one single purpose, our choice would be in the securing of credit information. Prompt service is a prime objective of our company, and we attempt to ship all orders the day they are received.

When an initial order is received, if the necessary credit information is not here we call local or long distance to the mercantile agency office, the customer's bank, or to other suppliers. If we are still unable to approve the order, or if the information received is unfavorable, we then call the customer and explain the situation.

For servicing the marginal account we also find that long distance telephone a useful tool in creating or retaining customer goodwill.

For instance, by a long distance phone call we learned that a customer had obtained a loan through the Small Business Administration. When this fact was verified, we were able to increase substantially the amount of our business with this customer.

We feel that if the customer is approached properly, he will understand that our purpose is to give prompt service. He will appreciate our calling him much more than if he receives a letter requesting a check before shipment is made.

We also make it a practice to call selected accounts about once a year. We thank them for the business they have done with us, and ask if we can be of any help.

Because we use the long distance phone call for relatively limited purposes in collection work, we have kept toll charges to a minimum.

However, in using the telephone, we don't think so much in terms of cost as we do in results, and in this area the primary advantage is the savings in time.



### Helpful in All Phases, If Well Planned, Wisely Used

JAMES V. WILKINSON

Credit Manager
Bayuk Cigars, Inc.
Philadelphia, Pennsylvania

A MOST VALUABLE tool to maintain a well-informed position is the "long distance telephone." While it does not supplant the personal visit, it does bring a personal touch to our dealings with our customers and fellow creditmen, and saves much valuable time.

When a salesman has a prospective account and wishes a quick credit approval, a call to the credit department sets the investigative wheels in motion. The phone also serves well in keeping us abreast of our customer's condition. It allows us quickly to check any rumors.

Time is always a prime factor when dealing with marginal accounts. No doubt we have all experienced a major change in the status of a marginal shortly after a letter has been written or information exchanged. We have established a routine whereby the salesman phones the credit department prior to calling on a marginal account.

The phone has aided greatly in situations where, due to mitigating circumstances, customer's payments have fallen in arrears. One method employed in such a situation is to establish a minimum weekly reduction amount.

The cost factor should be kept in mind when using any tool. Therefore, all calls should be well planned, possibly briefly noting the questions you wish answered.

We feel that the long distance phone is of great assistance to us in all phases of the credit function, but indiscriminate use may cause it to fall into the same category as form letters. It should be used wisely and with care.

### Speed More Than Offsets Added Cost of Operation

L. G. WALKER

Credit Manager

Gulf Hardware & Supply Company

Corpus Christi, Texas



F IFTEEN YEARS ago, when I first assumed the responsibility of collecting accounts, one of the hardest things for me was to justify a long distance phone call. I had the fear of using the wrong words and jeopardizing future sales; and I was keenly cognizant of the cost.

With today's high rate of interest, to expedite payment of large accounts by even one week's time will more than offset the additional telephone expense. More important, you come into personal contact with your customer, if only through voice.

Salesmen are, or should be, the first to give you advice concerning distressed customers. Our salesmen are instructed to call their credit manager immediately when they see or hear anything that would indicate distress.

In such instances, I believe it is the credit manager's responsibility to make an "on the spot" survey. Just such a long distance call recently saved our company several hundred dollars.

The telephone also enables our company to be in constant touch with its salesmen. Our salesmen, like many others, work on a schedule. As we know where they are to be both morning and afternoon, contact is easily established.

In writing up an order for a new account, our salesmen are instructed to obtain the name of the customer's banking connection and two or three trade references. In the event the credit manager cannot develop sufficient information from his usual sources, prompt approval or disapproval of the original order can be intelligently made after a long distance phone conversation with the customer's banker.

Finally, never to my recollection has a phone call aroused the temper of a customer to the point of losing his business.



#### Helps to Arrange Financing, Sizeable Contract Obtain

ERVIN J. FINTAK Credit Manager Nordberg Manufacturing Company Milwaukee, Wisconsin

FROM time to time, opportunity arises to land a sizeable contract, if we can arrange financing. A telephonic canvass is made of those who might be interested in that type of paper, and we can immediately determine under what general conditions.

Collectionwise, there is little point in letter correspondence if a payment is late. We use the phone.

A personal talk by phone compels some kind of answer, some kind of promise. The results are far better than by any other method except a personal visit, and, from a customer relations viewpoint, often better than such a visit.

Usually invoices to agencies of the Federal Government must be processed by several activities in separate cities, and any correspondence must be addressed to the attention of a delegating figurehead. We find it is best to trace the bill by phone.

The long distance telephone has been an indispensable tool of our credit department for years.



Call Board System Aids Credit-Sales Field Tie-in

HERBERT H. SWAFFORD Assistant Treasurer Duff Brothers, Inc. Chattanooga, Tennessee

W E in the wholesale drug business must recognize our responsibility both to operate profitably and to serve our people. We sell and warehouse life-saving drugs and medicines for immediate delivery to large retail drugstores and to the smallest in tiny rural com-

Just as the average home today has for ready reference the telephone number of the family doctor and pediatrician, so the drugstores and hospitals have the phone numbers of their wholesale druggists for speedy contact.

Therefore, we have direct telephones to the phone sales personnel in our office, for use by our customers as well as our salesmen. When these lines become overloaded the calls are automatically routed through our PBX operator.

A credit manager should have the personality makeup to be an excellent customer relations representative of his company. Gaining the confidence of the customer, he can learn much about the individual-his personal likes and dislikes, his family life, his interests in sports. He can discuss any problem by telephone, taking much of the guesswork out of the other person's reaction when called regarding a late check or an unjust claim.

In our daily operation, if we wish to speak to a salesman we put his name and ours on a call board in our telephone sales department. When this salesman calls in an order, we are placed on the line. On one call we can transact the business of several calls. We thus keep our salesmen informed of our actions regarding their customers, and they in turn keep us advised daily of the situation in the field. The end results are excellent for both departments.

### Ouickens Turnover, Ends Those Periods of Silence

CARROLL C. WEST, JR. Credit Manager Steward-Mellon Company Jacksonville, Florida



B EING sub-contractors, we use the toll lines according to the following order: 1. Sales (quotations); 2. Credit; 3. Purchasing.

A great number of companies would rather handle all credit and collection correspondence by mail. Personal experience has taught me that face-to-face contact is the best method of collecting past-due accounts. If this is not feasible, then I immediately turn to the telephone for help. One thing for sure, the telephone will bring an end to that long period of silence from the customer.

If the customer gives us a definite promise to pay on a certain date, this gives us a basis from which to start. If this promise is not fulfilled, then we have a new avenue of approach.

By going to the additional expense of calling him, we create quite an impression of the importance of the obligation (not, of course, if done repeatedly). We must bear in mind what it cost us to dictate, type, and handle a collection letter. The difference between the toll charge and the cost of the letter will surprise you. Remember, they can't throw a telephone call in the wastebasket.

The use of the toll lines has aided me immensely in quickening the turnover of all receivables. It also aids in settling disputes of out-of-town customers.

Just recently, we had a job which was past due. All correspondence to this customer was ignored. After several weeks had lapsed, I called the company but was unable to talk with the owner. I finally spoke with the job superintendent and learned that the bonding company was going to take over the job in the immediate future. By filing the necessary information with the bonding company, and by putting the county commissioners on notice that the job had not been paid, we were the first creditor to be reimbursed. I know that some of our fellow sub-contractors have not yet been paid. This is an example of the many reasons for using the toll lines.

### WASHINGTON

(Concluded from page 6)

tion adjustments at current replacement costs have cited the excessive revenue loss which, it says, would be inevitable for the first several years such a plan is in effect.

A Senate committee, however, has stated that "it is doubtful that there would be any loss in the second year after such liberalization and perhaps none in the first. In the third and fourth year revenue would be larger." In any event consideration of bills to liberalize depreciation allowances will await completion of the present Treasury study sometime after February.

Various proposals have come before past Congresses to restore more equitable taxation between fully taxed and non-taxed or partially tax-exempt competing businesses. Many organizations originally granted tax-exempt status for social, educational or research aims have, over the past decade, mushroomed in size and branched out into activities directly competitive

OFFICIAL TEXTS — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.

with those of private, fully taxed businesses. Several years ago what was thought to be a partial solution was enacted by Congress. Under that law a cooperative could deduct all amounts allocated to patrons even though such amounts were retained in the business, and the patrons would be taxed on these amounts. Complications developed when the courts held that the amounts so allocated to patrons were non-taxable because the paper certificate evidencing the allocation had no ascertainable fair market value.

A Treasury-proposed bill which came before the last Congress would have limited the taxfree retention of cooperative income to three years and would have permitted cooperatives to deduct amounts paid to patrons in the form of cash or qualified patronage certificates. No action, however, was taken and it is expected that similar new legislation will be submitted to this Congress.

An added burden to interstate commerce was imposed by the Supreme Court decision of last March in the case Scripto Inc. vs Carson (see

CFM May 1960, p. 29) making out-of-state businesses liable for the collection and payment of state sales and use taxes. The effect was similar to that of the Stockham Valves and Northwestern Cement Co. cases of the year before, which affirmed the right of states to impose income tax on out-of-state businesses doing business within the taxing state. To help counteract the adverse effects of that decision, Congress limited out-of-state income tax liability to only those concerns incorporated within, or having physical property within, the taxing state.

A similar bill to help counteract the effects of the *Scripto* ruling was offered last year in the Senate, but was later amended to provide only for study of the problem by a joint Congressional committee. Even in that form the bill did not reach the House in time for final action before adjournment. New legislative proposals will be studied by the present Congress.

#### Credit Disclosure Bill

Credit abuses by some retailers, particularly among those selling on instalment into heavily populated lower income areas, have given rise to Congressional inquiry and proposed legislation. In last year's Congress this took the form of a bill to require that anyone extending consumer credit must furnish a written statement to his customer showing the total amount of finance charges to be paid and the percentage of such charges to the unpaid balance expressed in terms of simple interest. Numerous objections have been raised that it is virtually impossible to express certain finance charges in terms of simple annual interest. Although no final action was taken by last year's Congress, a modified bill detailing the treatment of credit life and credit accident and health insurance and other charges in relation to the overall finance charge is expected to be considered early in the present Congress.

### Robert L. Roper

¶ RECORD-SETTING crop production, 122 per cent of the 1947-49 average, is assured, says the department of agriculture in its semifinal report. Credit favorable October weather for helping late growing corn and sorghum crops reach maturity.

¶ EFFORTS to unite Europe's trade blocs are being offered by the United States. Germany, in the six-nation Common Market, marks time while awaiting Britain's minimum requirements proposals, which now are being worked out but will need approval of its fellow members of the socalled Outer Seven.

■ Britain's government has reduced the bank rate to 5½ per cent, from 6 per cent, but proclaims this does not alter its credit restriction policy.



### ON THE

### Personal Side

In promotions at Skelly Oil Company, Kansas City, Mo., headquarters, V. H. Gibson has become general manager of the marketing department, and Van Bartles has been named to succeed him as assistant secretary and general credit manager. R. C. Weidemier, formerly regional credit manager, steps up to the assistant general credit manager post vacated by Mr. Bartles.

Mr. Gibson began in sales in 1942 and was transferred to the treasury department in 1944. Mr. Bartles has served in various capacities in the credit department since 1933 and was appointed assistant general credit manager in March 1959. Mr. Weidemier, who started with Skelly in 1936, has served in various capacities in accounting, sales and credit.

FLOYD F. MESSENGER has been appointed general credit manager B. F. Goodrich Footwear and Flooring Company, Watertown, Mass., and EDWARD B. APEL has been named credit manager. Mr. Messenger began with the B. F. Goodrich Footwear Division in 1952 as supervisor of branch credits, after eight years as credit manager with Dunham Bros. Company. In the New England Association of Credit Executives, Inc., he has served three terms as director. He is a charter member of the Footwear Group in the New England association and was chairman of the group in 1951. Mr. Messenger authored the "Management at Work" article which appeared in CFM September 1955, p. 14.

Mr. Apel began with B. F. Goodrich Footwear and Flooring Company (then Hood Rubber Co.) in 1942 and has been in credit since 1954.

JEROME C. CODRINGTON has been promoted to general credit manager of Joseph E. Seagram & Sons, Inc., New York. A veteran of 26 years with the Seagram organization, Mr. Codrington has been credit manager of The House of Seagram, Inc., the

principal sales company, since 1956. He was graduated from Colby Academy (New London, N.H.) and attended New Jersey Law School and the National Institute of Credit.

Joel Fielo has been appointed credit manager of Lanolin Plus, Newark, N.J. He formerly was regional credit supervisor for Revlon.

MICHAEL OCERA has been advanced to assistant vice president A. J. Armstrong Company, Inc., New York, N.Y. He began with the company in 1946 upon completion of postgraduate studies at the New York Institute of Credit.

LOUIS RAPPAPORT, named controller of Mill Fabrics Corporation, New York, will continue to supervise the credit department.

CHARLES E. FIERO has been promoted to vice president in the credit department of The Chase Manhattan Bank, New York, N.Y. He began with the bank in 1950, was appointed assistant treasurer in 1955, assistant vice president 1958. For the last two years he has been in charge of the credit department.

WILLIAM S. MILLER has been named executive vice president Chase International Investment Corporation, the wholly-owned investment financing subsidiary of The Chase Manhattan Bank. He formerly had been a vice president of C.I.I.C.

THOMAS J. HOLMAN, assistant secretary of James Talcott, Inc., New York, has been appointed an account executive in the company's factoring division.

MARTIN ROD, who began with

Why complain about getting old? When we stop growing older, we're dead. —Banking







E. B. APEL



V. H. GIBSON



VAN BARTLES



J. C. CODRINGTON



R. C. WEIDEMIER

Talcott in 1957, succeeds Mr. Holman as supervisor of the woolen and worsted section of the credit department. Mr. Rod is assistant secretary New York Institute of Credit and past president Empire Credit Club.

James R. Russo is now in the credit department of the factoring division of James Talcott Western, Inc., Los Angeles. He previously had been associated with Congress Factors California Corporation and L. F. Dommerich & Company. Mr. Russo attended the National Institute of Credit and is a member of the group's Los Angeles educational and membership committees. He also is a founder of the One Twenty One Credit Club in Los Angeles and a past president.

FRANK D. KREIDER has been advanced to credit manager Moorman Manufacturing Company, Quincy, Ill. He began with the company in 1936 as credit correspondent and has held assignments in the field personnel and sales training divisions, the service department and market research.

### Source of Specialized Credit Decision Data: Industry Group Meetings at Credit Congress

By ROGER C. GIFFORD Credit Manager Ready Mixed Concrete Co., Denver General Chairman **Industry Meetings Committee** 

N INCREASINGLY competitive A business climate has more than ever focused management's attention on better cost control, greater efficiency and, of course, the maximum turnover of receivables to protect narrowing profit margins. Such pressures have complicated credit decisions for many managers and intensified the need for faster and more accurate confidential information.

The Industry Group Meetings at the 65th Annual Credit Congress in Denver May 14-18 make a timely and practical source for just such hardto-get credit decision data. More than 30 major industries are annually represented at the convention, with over 250 credit authorities invited to speak and act as conference leaders. Tuesday, May 16, is Industry Meet-

Here is a chance to join leading credit executives in zeroing in on the key credit problems in your industry -and to exchange informed tips on their successful solution.

The formation of credit executives into voluntary industry groups provides one of the most valuable sources of specific credit information, and a clearing house for new techniques.

Some membership facts about Industry Groups tell the story. More than four out of every ten Association members, among the 35,500plus total NACM membership, belong to a group of fellow executives from their industry-in nearly 850 locally operated such groups across the country. About 25 national groups are now operating. Over-all, more than 100 different basic industries are represented.

Such groups are formed-and thrive-because they answer a real and continuing need: to share au-



Roger C. Gifford

thoritative and current credit experi-

Fellowship and friendships, naturally, are pleasing byproducts of these meetings. But it is what the meetings offer of specific value for sounder credit decisions that attracts a growing membership-and faithful meeting attendance and participation.

The convention series of Industry Group meetings is a concentrated opportunity to realize benefits for yourself and your company. Review the following list of groups and the committees in charge of arranging meetings that you cannot afford to miss this coming May:

### Advertising Media

Chairman-VICTOR R. WEBERG, Rocky Mountain News, Denver.

Vice Chairman-HENRY G. BAKER, Oklahoma Publishing Co., Oklahoma City.

Committee-Mrs. HERMINE A. FISCHER, The Christian Science Monitor, Boston; THOMAS McFARLAND, Milwaukee Journal; CLIFFORD A. MOORE, Dallas Morning News.

#### Automotive

Chairman-LESTER C. F. ROTHGEB, Foster Auto Supply Co., Denver.

Co-Chairman-HERMAN E. FREY, Continental Motors Corp., Muskegon.

Vice Chairman-HARRY J. ULKLOSS, JR., The Electric Storage Battery Co., Phila-

Committee-MICHAEL F. DELANEY, Motor & Equipment Manufacturers Association, New York; E. R. VOGEL, Wagner Electric Corp., St. Louis; A. H. WRIGHT, B. K. Sweeney Co., Denver.

Councillor—Robert L. Hughes, Gould

National Batteries, Inc., St. Paul.

#### Bankers

Chairman - RAY C. ERICKSON, Denver United States National Bank, Denver.

Vice Chairman-JOHN A. EISEMAN, First Pennsylvania Banking & Trust Co.

Committee-ROBERT L. GALLOWAY, Colorado National Bank, Denver; ERVIN L. HEYDE, Boatman's National Bank of St. Louis; RAYMOND L. KENT, Chase Manhattan Bank, New York; WILLIAM J. Rотн, Northern Trust Company, Chicago; JAMES H. SKINNER, National City Bank of Denver, Denver; K. STANLEY THOMPSON, Wells Fargo Bank American Trust Co., San Francisco; THEODORE B. WASHBURNE, Denver United States National Bank.

#### Brewers, Distillers and Liquor Wholesalers

Chairman-JAMES L. BERG, Davis Brothers, Inc., Liquor Division, Denver.

Vice Chairman-JOHN DOYLE, Bacardi

Imports, Inc., New York. Committee — DWAIN ALDERSON, Adolph Coors Co., Golden, Colo.; HENRY T. DRESCHER, National Distillers & Chemical Corp., New York; H. A. HOSEK, Tivoli Brewing Co., Denver.

### **Building Material and Construction**

Chairman-ROGER C. GIFFORD, Ready Mixed Concrete Co., Denver.

Vice Chairman - FRANCIS F. TOZER. Michael Flynn Manufacturing Co., Philadelphia.

Committee-D. S. HAMMER, The Flintkote Co., Inc., New Orleans; C. C. Hein-ECK, Lumber Dealers, Inc., Denver; C. A. REITER, Ideal Cement Co., Denver; OR-VILLE G. SORRELL, The Michaels Art Bronze Co., Erlanger, Ky.

### Chemical and Allied Lines

Chairman-W. N. McDonald, Hercules Powder Co., Wilmington.

Vice Chairman-JAMES NEVINS, Inland

Steel Container Co., Chicago.

Committee-ARTHUR J. BRADLEY, Commercial Solvents Corp., New York; WILLIAM L. BUSCH, Chas. Pfizer & Co., New York; HAROLD C. GIBSON, Chemargo Corp., Kansas City, Mo.; EUGENE HUGHES, Olin Mathieson Chemical Corp., Little Rock; J. Norris Miller, Union Carbide Chemicals Co., San Francisco.



C. F. ROTHGEB



J. L. BERG



W. N. McDONALD



WARD LOWE

### Confectionery Manufacturers

Chairman-WARD B. LOWE, Curtiss Can-

dy Co., Chicago.
Vice Chairmen — WILLIAM H. BATES, Frank H. Fleer Corp., Philadelphia; Gor-DON FLEMING, Brock Candy Co., Chat-

Committee - LORETTA M. FISCHER, George Ziegler Co., Milwaukee; DONALD SMUCKER, Paul F. Beich Co., Bloomington, Ill.: HERMAN E. SURDAN, Mars, Inc., Chicago.

### Drugs, Cosmetics and Pharmaceuticals

Chairman - DANIEL E. WEBER, Davis Bros., Inc., Denver.

Vice Chairman-Nelson RABONE, Hoffmann-LaRoche, Inc., Nutley, N. J.

Committee-GEORGE T. BRIAN, JR., Noxzema Chemical Co., Baltimore; LOWELL R. EDMONDSON, Eli Lilly & Co., Indianapolis; HERBERT H. SWAFFORD, Duff Bros., Inc., Chattanooga; J. H. TONOPOLSKY, Mc-Kesson & Robbins, Denver.

#### **Electrical and Electronics** Distributors

Chairman-Robert C. Carrel, Graybar Electric Co., Inc., Denver.

Vice Chairman - ROBERT C. MANNS, Peirce Phelps, Inc., Philadelphia.

Committee-Russ Baker, General Electric Co., Denver; GARLAND HOLEMAN, Sidles Company, Omaha; Mrs. Alta SETHALER, Central Electric Supply Co., Denver; W. R. SNODGRASS, Graybar Electric Co., Inc., Philadelphia; D. N. STATON, Continental Electric Co., Kansas City, Mo.

#### **Electrical and Electronics** Manufacturers

Chairman-Vernon M. Devenport, Jr., Texas Instruments, Inc., Dallas.

Vice Chairman - WILLIAM R. UPSON, I. T. E. Circuit Breaker Co., Philadelphia. Committee - V. B. Dobrunz, Westinghouse Electric Corp., St. Louis; MILLARD B. Jumper, Jr., Texas Instruments, Inc., Dallas; G. L. Murphy, General Electric Co., Schenectady.

### Feed, Seed and Agricultural Suppliers

Co-Chairmen-E. NORMAN ECK, Northrup, King & Co., Minneapolis; E. C. Mc-Kinney, General Mills, Inc., Kansas City,

Committee-MIKE BRONDER, Howry-Berg Steel & Iron Works, Inc., Englewood, Colo.; DALE DICKSON, The Parker Co., Denver; ROBERT McConkey, Barteldes Seed Co., Denver; ROBERT NICHOLS, Albers Milling Co., Kansas City, Mo.; Pernell T. Reitan, Peavey Feed Mills, Minneapolis; ARTHUR SANDVIG, Nutrena Mills, Kansas City, Kan.

### Fine Paper

Chairman-R. K. HANCOCK, Carpenter Paper Co., Denver.

Vice Chairman-FRED M. KURZ, Whiting Patterson Co., Inc., Philadelphia.

Committee—J. KEITH BUNTEN, Pratt Paper Co., Des Moines; KAY MITCHELL, Southwestern Mill Distributors, Inc., El Paso; M. H. Motschman, Reliable Paper Co., Chicago; GEORGE L. TODD, Butler Paper Co., Denver.

### Floor Coverings and Furniture

Chairman - GENE STARN, Aluminum Western Co., Denver.

Vice Chairman-EDWARD H. HUMMEL,

Armon Company, Philadelphia.

Committee — Urban C. Meek, Burton-Dixie Corp., Chicago; JAY PENNING, Johnson Furniture Co., Grand Rapids; ERWIN L. PETERSON, Shawnee Distributors, Chicago.

#### Food Products and Allied Lines Manufacturers

Chairman-L. MERLE DAVIS, Kuner Empson Co., Brighton, Colo.

Vice Chairman-JAMES W. SATTAZAHN,

Scott Paper Co., Chester, Pa.

Committee-Purl E. Brown, Bowman Biscuit Co., Denver; HUCH McCORMICK, McCormick & Co., Baltimore; J. F. MAT-THEWS, Carnation Company, Los Angeles; GEORGE PERRY, Stokely-Van Camp, Inc., Indianapolis; George W. Stillman, Great Western Sugar Co., Denver; John C. Wiesner, California Packing Corp., San Francisco.

### Food Products Wholesalers

Chairman-George A. Spillane, Beatrice Foods Co., Denver.

Vice Chairman-Morris Weiss, Colonial

Beef Co., Philadelphia.

Committee-Frank J. Canonica, S & W Fine Foods, Inc., San Francisco; ROBERT N. HARRIS, Waples-Platter Co., Fort Worth: FRED NORDHAUSEN, Foremost Dairies, Inc., San Francisco.

#### Hardware Manufacturers

Chairman-GLEN C. NEAL, Rubbermaid, Inc., Wooster, Ohio.

Vice Chairman-W. R. HAAVIND, Accu-

rate Threaded Fasteners, Chicago.

Committee-A. S. Fowler, The Stanley Works, New Britain, Conn.; JOHN A. LOCKARD, The Astrup Company, Cleveland; IRWIN E. SAMPSON, National Lock Co., Rockford, Ill.

#### Hardware Wholesalers

Chairman-RALPH W. GOARD, Mine & Smelter Supply Co., Denver.

Vice Chairman - RICHARD F. NEWTON. J. Russell & Co., Inc., Holyoke, Mass.

Committee-ED EMBRY, Momsen-Dunnegan-Ryan Co., El Paso; Morton F. KAATZ, Denver Hardware Co., Denver; B. EARLE WALKER, C. M. McClung & Co., Inc., Knoxville.

#### Insurance

Chairman-Wilson D. Sked, Marsh & McLennan, Inc., Chicago.

Vice Chairman-J. J. DORGAN, Conti-

nental Oil Co., Houston.

Committee-DAVID Q. COHEN, Ass'n of Casualty & Surety Companies, New York; L. A. FITZGERALD, American Mutual Insurance Alliance, Chicago; FREDERICK W. WESTERVELT, JR., The National Board of Fire Underwriters, New York; Peter A. ZIMMERMANN, The Surety Ass'n of America, New York.

Secretary-Charles S. Cooper, Fireman's Fund Insurance Co., New York.

#### Iron and Steel, Non-Ferrous Metals and Related Lines

Chairman-THOMAS R. AURELIUS, Colorado Fuel & Iron Corp., Denver.

Vice Chairman - EDWARD K. MYERS, Lukens Steel Co., Coatesville, Pa.

Committee—Stanley L. Bateman, Horace T. Potts Co., Philadelphia; E. F. Boettcher, Austin Bros. Steel Co., Dallas; FRANK BOWMAN, Silver Steel Co., Denver; JAMES L. CLARK, Aluminum Company of America, Philadelphia; E. R. Costello, Edgcomb Steel Co., Philadelphia; FRED H. JONES, Kaiser Steel Corp., Oakland; W. H. MANIETT, JR., Marsh Steel Corp., Denver.

### Machinery and Supplies

Chairman-W. WARREN CULPEPPER, Colorado Builder's Supply Co., Denver.

Vice Chairman—George E. Adair, L. B. Smith, Inc., Philadelphia.

(Continued on next page)



D. E. WEBER



R. C. CARREL



E. N. ECK



GENE STARN

Committee-George P. Grass, Mo-Bar Hydraulic Sales Co., Crystal Lake, Ill.; C. R. HOPE, McCoy Company, Denver; MISS EDNA MARSCH, Supplies, Inc., Chicago; JOHN E. TAYLOR, Surface Combustion Division, Midland-Ross Corp., Toledo.

#### **Meat Packers**

Co-Chairmen-A. A. KERSTEIN, Pepper Packing Co., Denver; J. L. NEAFUS, Swift & Company, Denver.

Committee-W. C. FISCHER, East Tennessee Packing Co., Knoxville; E. F. Norтескок, Krey Packing Co., St. Louis; Leo W. RECHTIEN, Heil Packing Co., St. Louis.

### Oil Field Services and Supplies

Chairman-Neil R. Shaw, Schlumberger Well Surveying Corp., Denver.

Co-Chairman—T. D. Mc Elroy, The Na-

tional Supply Co., Pittsburgh.

Committee—Walter Cooney, Jr., Baker Oil Tools, Inc., Houston; HARRY C. CRUM-LEY, Johnston Testers, Inc., Denver; LEWIS F. NEAHUSAN, Dowell Division, Dow Chemical Co., Midland, Texas; CLINT ROBERTS, Halliburton Company, Duncan, Okla.; JOHN C. WEAVER, The National Supply Co., Denver; NORMAN H. WEST, McCullough Tool Co., Los Angeles.

#### Paint, Varnish, Lacquer and Wallpaper

Chairman-George H. KILLEN, Kohler-McLister Paint Co., Denver.

Vice Chairman—CHARLES D. Ross, E. I. du Pont de Nemours & Co., Inc., Wilming-

Committee-RAY W. GONSER, Seidlitz Paint & Varnish Co., Kansas City, Mo.; ALBERT PAULY, Samuel Cabot, Inc., Boston; C. RAY TRICKEY, National Lead Co., Chicago; WILLIAM F. VANDER WEYDEN, McMurtry Manufacturing Co., Denver.

### Paper Products and Converters

Chairman-G. B. Robinson, Harry H. Post Co., Denver.

Vice Chairman - P. EDWARD SCHENK.



G. A. SPILLANE



W. D. SKED



T. R. AURELIUS



G. C. NEAL

Container Corporation of America, Philadelphia.

Committee-Frank King, Inland Container Corp., Indianapolis; J. A. PATTERson, Lily Tulip Cup Co., Springfield, Mo.; C. B. ROCKSTAD, Packer-Scott Company of Oregon, Inc., Portland.

#### Petroleum

Chairman-H. W. Dugdale, Shell Oil Company, New York.

Vice Chairman-J. R. GRAMONT, Standard Oil Company of California, Western

Operations, Inc., Los Angeles.

Committee—C. A. Kilgas, Mobil Oil Co., Los Angeles; H. M. McDonald, Cities Service Oil Co., Chicago; J. V. McLaugh-LIN, American Mineral Spirits Co., Murray Hill, N. J.

Program Committee-

Chairman - GEORGE B. WILHELM, JR.,

Continental Oil Co., Denver.

Committee-W. L. Bowen, Texaco Inc., Denver; Roy H. JORDAN, Frontier Refining Co., Denver; J. C. Love, Phillips Petroleum Co., Denver; R. V. PEOPLES, Continental Oil Co., Denver; D. T. WILCOX, California Company, Denver.

#### Plumbing, Heating, Refrigeration and Air Conditioning

Chairman-R. C. KIMMEL, McCombs Supply Co., Denver.

Vice Chairman-John G. De Pass, National-U. S. Division, Crane Co., Johnstown,

Committee-C. G. Keiser, Grinnell Company, Denver; GLEN SCHILLER, Friedrich Refrigerators Incorporated, San Antonio; Kenneth Snodgrass, Snodgrass & Smith Co., Denver; D. H. Wilson, American Radiator & Standard Sanitary Corp., Detroit; LEONARD M. WITT, A. Y. McDonald Manufacturing Co., Denver.

### Public Utilities

Chairman-Norbert M. Scharf, Toledo Edison Company, Toledo.

Chairman-Planning Committee-DANE N. STEPHENS, Ohio Fuel Gas Co., Columbus,

Vice Chairmen-Planning Committee-R. C. Gude, Public Service Company of Colorado, Denver; PAUL HANLON, Atlantic City Electric Co., Atlantic City.

District Representatives-

Northeastern-John R. Heery, United Illuminating Co., New Haven.

Central East-THOMAS HANNON, Philadelphia Gas Works, Philadelphia.

South Eastern—T. J. IRELAND, Mononga-hela Power Co., Fairmont, W. Va.; W. R. BURKHOLDER, Louisville Gas & Electric Co., Louisville.

East Central-WALTER E. TRAVIS, Cleveland Electric Illuminating Co., Cleveland; E. R. JOHNSTON, West Penn Power Co., Greensburg, Pa.

South-Wallace Wingfield, Atlanta Gas Light Co., Atlanta; CLAUDE A. PARKS, Southwestern Electric & Power Co., Shreveport.

Central-J. J. CUMISKEY, Kansas Gas & Electric Co., Wichita.

North Central-H. T. RYAN, Minneapolis Gas Co., Minneapolis; G. W. ERICKSON Northern States Power Co., Minneapolis.



R. C. KIMMEL



H. W. DUGDALE



N. M. SCHARE



D. N. STEPHENS

Southwestern-WILLIE ST. JOHN, City

Public Service Co., San Antonio.

Western—J. W. Mott, Arizona Public Service Co., Phoenix; E. F. Beatie, South-

ern California Gas Co., Los Angeles.

Canadian—Anthony Dussault, Quebec Hydro Electric Commission, Montreal; CHARLES J. ROUSE, Consumers Gas Co., Toronto.

#### Textile

Chairman-JOHN L. KAISER, Dan River Mills, Inc., New York.

Committee-Blanche M. BIXBY, The American Fabrics Co., Bridgeport; Joseph B. Funk, Textile Banking Co., Inc., New York; MELVIN E. RUBENSTEIN, Rosenthal & Rosenthal, New York; MATTHEW C. SPINNER, James Talcott, Inc., New York.

### Wearing Apparel and Footwear

Chairman-Louis Smirnow, Phillips Van Heusen Corp., New York.

Vice Chairman-Miss Julia Holzwarth, Hilb & Company, Denver.

Committee-A. HARRY EISENBERG, Rose Marie Reid, Los Angeles; JAMES J. MOORE, B. Kuppenheimer & Co., Chicago; T. DOUGLAS OXFORD, Genesco, Nashville; WILLIAM STAVRAKOS, Kayser-Roth Corp., New York.

### Urges Teamwork in Standards For Measuring Financial Data

In formulation of standards for measurement and communication of financial and other economic data, teamwork is essential, and the accounting profession is but one member of the team, says Herman W. Bevis, executive partner in Price Waterhouse & Co., and vice president of the American Institute of Certified Public Accountants. He addressed the American Accounting Association meeting in Columbus, Ohio.

### Manila Is Newest Unit of NACM; Services the Entire Pacific Theatre

Welcoming more than 140 credit executives of the Pacific theatre into the membership of the National Association of Credit Management, the NACM board of directors has approved the application for affiliation received from the Association of Credit Men, Inc. (Philippine Islands)

Wilfrido C. Tecson, vice president of China Banking Corporation, is president of the new affiliate, which has its headquarters offices in Manila. Vicente A. Pacis, Jr., Commerce Bank and Trust Company, is association vice president, and A. Roxas, First National City Bank of New York, is secretary-treasurer. (See front cover and page 5.)

In addition to the officers, directors are Paul W. Hannaford, of Atlantic, Gulf and Pacific Company of Manila Inc., D. R. Rahn, International Harvester Macleod Inc.; D. Guidote, Caltex (Philippines) Inc., and George F. Rost, Manila Electric Company. Their one-year terms end March 31st.

P. P. Cambel is manager of the Philippines organization.

The association was formed to effect closer credit cooperation among members, to exchange information, to provide protection to the membership in acceptance of credit, and to bring about "mutual improvement and greater security and certainty in business customs and usages of trade".

The 35,500 members of National extend a hands-across-the-sea greeting to their new colleagues in their mutual objective to elevate the credit profession.

### Building Stature of Credit Underlined At Ohio Valley Regional Conference

Consumer credit is not in oversupply, Ralph E. Brown, president of the National Association of Credit Management, and Alan S. Jeffrey, executive vice president, said in Cincinnati at the annual Ohio Valley Regional Credit Conference. Mr. Brown vice president of Marsh & McLennan, Inc., extended greetings from National at the opening session. Mr. Jeffrey was the speaker at the annual dinner.

The two-day conference brought together 300 credit executives from 15 affiliated associations in five states—Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan, in addition to Ohio. The Cincinnati Association of Credit Management, its president Robert L. Wagner, credit manager of Frank Tea and Spice Company, was host.

Dr. Kenneth Wilson, dean of the college of business, University of Cincinnati, answered his own question, "Business Executives — What Are They?" in leading into the conference theme: "Credit Executives—Business Doctors".

Illustration by case histories followed, with Milton H. Anderson, dis-

trict financial manager Graybar Electric Company, Cincinnati, and NACM director, as moderator. Panelists were Fred Ensign, assistant treasurer Cleveland Twist Drill Company, Cleveland; Marion Johnson, vice president Brown-Forman Distillers, Louisville; James W. Marsteller, general credit manager DeVilbiss Company, Toledo, and Anthony Ameduri, assistant treasurer and credit manager of Mahoning Valley Supply Company, Youngstown.

Business in politics was the topic of Roger B. Turrell of Armco Steel Corporation, Middletown, Ohio.

At the dinner Mr. Jeffrey emphasized the importance of communication and public relations in creating the image of the credit executive's company to its publics, and in building the stature of credit and credit services. He was introduced by Irwin Stumborg, assistant treasurer Baldwin Piano Company, president Credit Research Foundation, Inc., and past president of NACM. Mr. Stumborg also had introduced Mr. Brown at the earlier session.

James K. Lewis, vice president Central Trust Company, Cincinnati,

### "See" with Telephone

A simplified form of visual communication over ordinary telephone lines, which may eventually be capable of producing "a telephone you can see with" is envisaged by General Telephone & Electronics Corp.

opened the second day's plenary gathering with a discussion of diagnosis and prescription by means of financial statement analysis.

The relations of the St. Lawrence Waterway to foreign accounts was emphasized by H. E. Schurgast, president of Industry Export Service.

Fred Flom, director of credit and adjustments, The Detroit Edison Company, vice president of NACM's Central Division, presided at the final plenary session. Robert A. Nunlist, assistant treasurer Armco Steel Corporation, Middletown, Ohio, was conference chairman.

F. M. Hulbert, general credit manager Procter & Gamble Distributing Company, Cincinnati, past vice president NACM, spoke on evaluation of credit department efficiency at one of the 10 Industry Group sessions. Mr. Anderson headed the Groups' general committee.

Chairmen and vice chairmen of the Groups' conferences were: James O. Barnthouse, Southwestern Ohio Steel Co., Hamilton, Ohio; S. W. Mc-Entee, Trailmobile, Inc., and R. E. International Sharp. Harvester Credit Corp., both of Cincinnati; John Marsh, Braun Bros. Packing Co., Troy, O.; Alvin F. Richter, American Laundry Machine Co., Norwood, O.; R. D. Logan, Jr., Armco Steel Corp.; William A. Notton, vice president Central Trust Co., Cincinnati; K. M. Wiener, Crosley Broadcasting Corp., and Carl Robisch, Cincinnati Post & Times Star; Melvin Wuest, Cincinnati Gas & Electric Co., and Paul Gruber, Cincinnati & Suburban Bell Telephone Co.; Cecil Oder, H. Zussman Co.; J. R. Mc-Mahill, General Electric Supply Co., and Stanley Bennett, Johnson Electric Supply Co., all of Cincinnati.

A brave man knows enough to be afraid, but possesses the ability to overcome it.

-The Tablet

## Accent on Professional Development, Sales And Cards at Petroleum Credit Conference



NEW officers and directors of the American Petroleum Credit Association, NACM. Seated (I to r): H. M. McDonald, Cities Service Oil Co., Chicago, regional vice pres.; Carl A. Kilgas, Mobil Oil Co., Los Angeles, regional vice pres.; H. W. Dugdale, Shell Oil Co., New York, president; J. R. Gramont, Standard Oil Company of California, Los Angeles, vice pres.; J. V. McLaughlin, American Mineral Spirits Co., Murray Hill, N. J., regional vice pres.; M. E. Bruce, Humble Oil & Refining Co., Houston, treas.; S. J. Haider, NACM, St. Louis, secty.

Standing (I to r): Directors W. H. Swatzel, Phillips Petroleum Co., Bartlesville, Okla.; G. J. Timone, The American Oil Co., New York; R. S. Lampkin, Supertest Petroleum Corp. Ltd., London, Ont.; R. J. Walerius, The Pure Oil Co., Chicago; J. S. Neff, Gulf Oil Corp., Philadelphia; G. H. Stout, Richfield Oil Corp., Los Angeles; J. E. Seibert, The California Oil Co., Perth Amboy, N. J.; R. R. Thomas, Shamrock Oil & Gas Corp., Amarillo; W. J. Habkirk, The British American Oil Co., Ltd., Toronto; William F. Matson, Tidewater Oil Co., New York; G. B. Wilhelm, Jr., Continental Oil Co., Denver; W. W. Workman, Union Oil Company of California, Los Angeles; H. J. Denman, American Petrofina Company of Texas, Dallas.

aspects of credit operation, professional development, dealer turnover, agricultural credits, the banker's point of view, credit cards, centralization v. decentralization, interest charges on past-dues, and road contractor relations, at the 36th annual conference of the American Petroleum Credit Association. Sessions were held jointly in New York with the 23d conference of the Association of Eastern Petroleum Credit Managers.

H. W. Dugdale, assistant general manager of Shell Oil Company, New York, is the new APCA president. Other officers: J. R. Gramont, Standard Oil Company of California, Los Angeles, vice president; C. A. Kilgas, Mobil Oil Co., Los Angeles; H. M. McDonald, Cities Service Oil Co., Chicago, and J. V. McLaughlin, American Mineral Spirits Co., Murray Hill, N. J., regional vice presidents; M. E. Bruce, Humble Oil & Refining Co., Houston, treasurer; S. J. Haider, v.p. NACM, secretary.

Elected directors were William F. Matson, Tidewater Oil Co., New York; R. J. Walerius, The Pure Oil Co., Chicago; George B. Wilhelm, Jr., Continental Oil Co., Denver; W. W. Workman, Union Oil Company of California, Los Angeles; and Mr. McLaughlin, later named regional vice president.



H. W. DUGDALE (left), Shell Oil Co., New York, new president American Petroleum Credit Association, receives gavel from W. J. Habkirk, British American Oil Co., Ltd., Toronto, closing a year's service as the executive.

After welcomes, spoken by Sidney Stein, of Stein Factors Corporation, president of New York Credit & Financial Management Association, and written by Mayor Robert F. Wagner, Ollie F. Minor, manager of retail sales, Shell Oil Co., New York, told why selling is everybody's business, and Paul Millians, vice president Commercial Credit Corp., Baltimore, discussed profitable credit management.

"Credit—the Road to Successful Selling" was the luncheon theme of Joseph L. Wood of Los Angeles, former assistant treasurer of Johns Manville Corp., New York, and past president of the Sales Executive Club.

### Walker Moderator of First Panel

At the first afternoon panel presentation the moderator was Past NACM and APCA President J. Allen Walker of San Francisco, general credit manager of Standard Oil Company of California. Methods to enhance professional development were also advanced by H. M. Barrentine, Skelly Oil Co., Kansas City, Mo.; G. J. Timone, American, New York; R. J. Walerius, Pure Oil, Chicago; and G. F. Walters, Cities Service, New York.

The subject of causes, prevention and cure of dealer turnover was introduced by J. P. McLaughlin, assistant treasurer Richfield Oil Corp., Los Angeles, moderator. Panelists were J. F. Cody, Canadian Oil Companies, Ltd., Toronto; Mr. Gramont; A. M. Johnston, Standard Oil Co. (Indiana), Chicago; and J. L. McEvoy, American, Baltimore.

On the second forenoon, after an exposition of credit economics by J. Wilson Newman, chairman of the board, Dun & Bradstreet, Inc., New York, panelists aired complications of agricultural credits. Moderator McDonald had as panelists Mr. Barrentine, Mr. Cody, E. B. Peterson,

(Continued on following page)

Continental Oil, Houston, and William M. Smith, Standard Oil (Indiana), Chicago.

### "Until the Psychiatrist Comes"

After Dr. Murray Banks' observations at luncheon on "what to do until the psychiatrist comes", the delegates were addressed by Albert C. Ashforth, president of the Toronto-Dominion Bank, and then heard two panel discussions on credit cards in the years ahead.

Moderator of Panel "A" was Frank J. Hutchings, manager-credit coordination, Humble Oil Co., New York. Credit acceptance, collection procedures, information records and Interchange, was the topic of H. R. Wakefield of Sun Oil, Philadelphia. Discussed by E. W. Taylor, Shell Oil Co., New York, were areas of legislation, internal controls, training and education, and expiration dates. Murray V. Johnston of Gulf Oil, Pittsburgh, took up matters of accounting, collections and approvals under centralization and decentralization. W. H. Swatzel, Phillips Petroleum, Bartlesville, Okla., concentrated his comments on extended term sales and charges on past-due accounts, causes, trends and outlook.

### Types of Credit Cards Studied

Various types of credit cards were analyzed by Panel "B", with Mr. Workman as moderator. The speakers were G. H. Stout, Richfield Oil, Los Angeles, on universal petroleum credit cards; W. R. Roberts of British American, Toronto, revolving credit; Carl T. Ross of Sinclair Refining Co., local bank credit card plans; and J. W. Obenhoff, Shell, Flushing, N. Y., on all-purpose cards.

Credit factors in dealings with public improvement (road) contractors occupied panel and open forum discussion at the final session. H. M. White, American Bitumuls & Asphalt Co., San Francisco, was moderator. Panelists had these topics: Bond protection, J. L. Fatjo, Jr., American Oil, New York; realistic credit terms, J. C. James, Royalite Oil, Calgary; legislation to expedite payments to contractors, I. A. Keller, Shell, Boston; and interest charges on past-dues, W. H. Winters, Ashland (Ky.) Oil & Refining Co.

The 1961 APCA conference will be October 15-18 at Houston.

### COMPARISONS OF RECEIVABLES

A slight improvement over a year earlier in the condition of accounts receivable due manufacturers is reflected in the national survey by NACM's Credit Research Foundation, Inc., comparing the October 1 status 1960 and 1959. However, there was a bit of drop in the third quarter from the second period (a general trend of business).

Following are summary medians for all accounts in three categories:

	PERCENT OF ACCOUNTS RECEIVABLE CURRENT	PERCENT OF ACCOUNTS RECEIVABLE PAST DUE	AVERAGE NUMBER OF CALENDAR DAYS' SALES
DATE	(Within Terms)	(Over 90 Days)	OUTSTANDING
Manufacturers			
Oct. 1, 1960	83.9%	3.7%	34.7 days
July 1, 1960	84.7%	2.3%	33.3 days
Oct. 1, 1959	83.5%	3.2%	35.4 days
Wholesalers			
Oct. 1, 1960	74.6%	7.5%	41.4 days
July 1, 1960	75.0%	6.0%	41.3 days

Three hundred companies from 20 different industries participated in the survey, conducted quarterly.

Percentage of accounts receivable past due over 90 days was higher than for both mid-1960 and October 1959, but the average number of calendar days' sales outstanding was lower than a year earlier, though 1.4 days above July 1960.

For the third quarter 1960, improved currency of receivables was reported by manufacturers in these industries: appliances, hardware, pharmaceuticals. A decline was registered by the automotive, building materials, electrical equipment and supply industries. Textile manufacturers reported 95.4% accounts current, food products 95.1%.

Wholesale companies from selected industries also reported collections slower in the third quarter.

For complete report write Credit Research Foundation, Inc., 44 East 23rd St., New York 10, N.Y.

### William T. Wenk Is President Of Textile Credit Associates

William T. Wenk, M. Lowenstein & Sons, Inc., has been named president of the Textile Credit Associates, New York. He succeeds John G. Swanhouse.

Other officers named are: T. Kenyon Ruby, Cone Mills, vice president; William F. Andrews, Meadtex Fabrics Co., treasurer, and Henry B. Leonard, Riegel Textile Corp., secretary.

### William R. Goudy Dies

William R. Goudy, 83, general credit manager of Union Carbide Corporation when he retired in 1949, died in Glen Ridge, N.J., after a long illness.

### Beat the Overseas Backlogs; Place Overdues with FCIB

Exporters having overdue accounts in overseas markets where backlogs similar to that in Cuba are developing, are urged by NACM's Foreign Credit Interchange Bureau to profit from the success of members who placed their Cuban overdues with FCIB for collection and thus liquidated their claims before remittances were almost completely shut off.

Millions of dollars of commercial indebtedness are backlogged in Cuba because of its political situation and the adverse effects on dollar remittances, but not on members who were forewarned and turned to the Bureau's worldwide collection service for action, says manager J. S. Gillies.

### Multiple Duties of Credit Manager

### Outlined to Wisconsin-Michigan Units

The credit manager is a composite of investment counselor of his company, teammate of Sales, and promoter of human relations and customer relations, financial executives of the near northwest were told by speakers at the 41st annual Credit Conference of the Madison, Milwaukee and Northern Wisconsin-Michigan associations, with the Madison unit as host.

The credit department has a standing opportunity to contribute substantially to the corporate profits of the company as well as increased profitable distribution, said Edwin B. Moran, now serving NACM in a

consultive capacity.

He likened the credit manager to the investment counselor in that "every time he accepts credit in exchange for merchandise or service he is actually investing the company's working capital, and the effectiveness with which he does so will expedite the turnover of the company's working capital and thus very definitely contribute to the corporate profits."

After the conference call to order by Hugh C. Benedict of Wisconsin Furnace Company, president of the Madison association, and Mayor Ivan A. Nestingen's welcome to the delegates, a discussion of "Dedication to Growth through Good Sales and Credit Relations" brought to the dais Sales Manager James Guequierre of Stone Advertising Agency Milwaukee, and Credit Manager H. H. Schroeder of Marathon Division, American Can Company, Menasha, Wis.

Mr. Moran addressed the afternoon session, chairmaned by H. F. Loker of Valley Supply Corporation, president of the Northern Wisconsin-Michigan unit, Green Bay.

Credit management's role in human relations was described by John Wrage, personnel manager of Gisholt Machine Company, Madison.

Four aspects of the handling of credit of new accounts were analyzed by credit managers in a panel with Robert Jewson, assistant vice president First National Bank, as moderator.

Starting at the beginning, sources

of credit information, was Frank Mazer of Oscar Mayer & Company, Madison. Ways in which the sales personnel can help obtain credit information were set forth by R. J. Sander, Freeman Chemical Corporation, Port Washington, Wis.; analysis of information and determination of line of credit, by H. A. Halberg, Weyerhauser Co., and the credit department's function in establishing good customer relations, by R. W. Foard, credit and office

The only woman who'll gladly listen to both sides of an argument is the one who lives next door.

-Essay

manager of Joseph T. Ryerson & Son, Inc., Milwaukee.

Harry E. Manzer, general agent of Washington National Insurance Company, Madison, was the dinner speaker; his topic, "Put More of You in Your Job". Arthur L. Anderson, treasurer of American Scientific Laboratories, presided.

H. F. Mettelman of F. R. Dengel Company is president of the Mil-

waukee association.

### 200 Mid-West Credit Women Hear Talks on Education, Finance, Operation

More than 200 credit women from 25 cities gathered in Louisville and heard addresses on education, finance, functions and responsibilities of women in credit operation, and organizational problems and solutions, at the 20th annual Mid-West Conference. Hosts were members of the Credit Women's Group of Louisville and their president, Mrs. Dorothy Ninekirk, of W. C. Heimerdinger Company.

At the opening conference session, greetings were extended by Lieutenant Governor Wilson W. Wyatt of Kentucky; NACM President Ralph E. Brown, vice president of Marsh & McLennan, Inc., St. Louis; Matthew W. King, Citizens Fidelity Bank & Trust Company, president Louisville Credit Men's Association, and M. W. Nicholson, secretary-manager. Responding was Miss Alice Horner. of Milwaukee Plywood Company, president of the Milwaukee Credit Women's Group.

Guest speakers at this session were Robert L. Howard, The Logan Company, past director NACM, on "Problems Within Our Organization", and Marion M. Johnson, Brown-Forman Distillers Corporation, whose topic

was "Educated?".

In the afternoon the delegates heard addresses by Merle Robertson, president of Liberty National Bank and Trust Company, on "Finance"; Dr. Woodrow M. Stickler, vice president University of Louisville, who asked "Who Am I?", then answered with an exposition of functions and responsibilities of women in credit; and by Miss Mildred M. McCall, of Walter H. Johnson Candy Company, Chicago, chairman of the National Credit Women's Executive Committee.

David P. Livingston, of Washington, Iowa, was the speaker at the annual banquet.

At the final session, reports were made by the three NCWEC vice chairmen: Miss Margaret Hail, Chattanooga Medicine Co., education; Miss Marlis Rick, Minneapolis-Honeywell Regulator Co., membership; and Mrs. Mary McGraw, The Binghamton Container Co., publicity; by Mrs. Dorothy Niemann, Chas. H. Harpring Roofing Co., resolutions committee, and Miss Marie Ferguson, secretary-treasurer.

Miss McCall was interviewed on television and radio before the conference.

Other past chairmen NCWEC participating in the program were Miss Rosa Basler, The F. D. Lawrence Electric Co., Cincinnati, and Miss Alleen Harrison, Tafel Electric & Supply Co., Louisville.

Miss Marie Schimpeler was general chairman of the Conference; Miss Toni Schweitzer, co-chairman, and Mrs. Niemann coordinator.

### Woes of Harassed Debtor Depicted By Checkmates in Own "Gavel" Version



THE DEBTOR and his three attorneys. (L to R) Ernest Hirsch, William J. Galligan, Jr., Fred C. Ernst (in debtor's role), and Morton Leader.

Tribulations of a dress manufacturer in Chapter XI proceedings were depicted by the Checkmates, New York, in an educational satire playlet adapted from "The Voice of the Gavel," which Jack Stutman of the Los Angeles Bar had written with cooperation of the American Bar Association. This had been a feature of the 64th Annual Credit Congress in St. Louis.

The Checkmates also presented their version of a creditors' meeting which they called "Chapter Eleven." This play was originally produced six years ago under the title "On the Cuff," the club's initial staged performance.

The two plays were presented at

Mortimer J. Davis (left), as the referee in bankruptcy, and Fred C. Ernst as the harassed debtor.

the ninth annual Creditmen's-Accountants' Fellowship Night.

In "We Don't Like Busts," Mortimer J. Davis, secretary-treasurer of the New York Credit Men's Adjustment Bureau, Inc., and former executive vice president of the New York Credit & Financial Management Association, guest-starred as the referee in bankruptcy.

Fred C. Ernst, Fabrex Corporation, had the leading role. The debtor's attorneys were Morton Leader, of United Factors; William J. Galligan, Jr., Chemical Bank New York Trust Co.; and Ernest Hirsch of Muhlstock, Elowitz & Co.

The adaptation from "The Voice" was written by Jerome Kenyon, United Factors; Joseph E. O'Grady, Jr., of U.M.&M. Financial Corp., and Mr. Ernst.

The producer-director, Eugene Brinker, Bankers Trust Co., was presented a gift. Officiating was Herbert I. Mero, credit manager Amerotron Co., Division of Textron, Inc., president of the Checkmates.

### New Orleans Institute Elects; 54 Enrolled in Detroit Course

A. G. Windmeyer of Chase Brass and Copper Company is the new president of the 115-member New Orleans Chapter, National Institute of Credit, which sponsors a class in Credit and Collections conducted at Tulane University's evening school by Guy C. Harris, General Electric

Supply Company, association direc-

Other officers are O. J. Swanson, Continental Oil Co., vice pres.; F. J. Delaup, Jones & Laughlin Steel Wholesale Div., treas.; A. J. Werner, Hibernia National Bank in New Orleans, secty.; W. J. Babin, Geo. H. Lehleitner & Co., Inc., board chairman; and E. J. Vaz, Wm. B. Reilly & Co., Inc., education chair-

The Detroit association's 13-week course in Credit and Collection Principles with 54 enrolled, has as instructors L. B. Frye, Shell Oil Co.; R. J. Skinner, Frigidaire Sales Corp.; A. A. Beste, Koenig Coal & Supply Co.; R. M. Johnson, J. B. Charters, Inc.; P. G. Moon, National Bank of Detroit; J. E. Gibbons, Admiral Corp.; G. F. Helwig, Rutten, Welling & Co.; and F. J. Hohman, Detroit association.

Another 13-week course, this on Advanced Credits and Collections, begins in February.

STATEMENT REQUIRED BY THE ACT
OF AUGUST 24, 1912, AS AMENDED BY
THE ACTS OF MARCH 3, 1933, JULY
2, 1946 AND JUNE 11, 1960 (74 STAT.
208) SHOWING THE OWNERSHIP,
MANAGEMENT, AND
CIRCULATION OF
CREDIT AND FINANCIAL MANAGEMENT

MANAGEMENT, AND
CIRCULATION OF
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that of a bona fide owner.

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of this publication sold or distributed, through
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the 12 months preceding the date shown

By Ernest A. Rovelstad, Editor

Sworn to and subscribed before me this 26th day of September, 1960.

(SEAL)

GERTRUDE J. JUDGE (My commission expires March 30, 1962)

### CALENDAR OF EVENTS

SEATTLE, WASHINGTON

March 15-17, 1961

Conference of the Credit Executives
of the Pacific Northwest, including
Idaho, Oregon, Washington, and
British Columbia

DENVER, COLORADO

May 11-13, 1961

NACM Secretary-Managers Annual

Conference.

DENVER, COLORADO May 14-18, 1961 65th Annual Credit Congress

CHICAGO, ILLINOIS

September 21-22

Great Lakes Regional Credit Conference, including Illinois, Indiana,
Michigan and Wisconsin

HOUSTON, TEXAS
October 15-18
37th Annual Conference of American Petroleum Credit Association

FORT WORTH, TEXAS

October 26-28

Annual Southwest Credit Conference, including Texas, Arizona, Arkansas, Louisiana, New Mexico and Oklahoma

HOLLYWOOD-BY-THE-SEA, FLORIDA November 12-15, 1961 Forty-Seventh Annual Fall Conference of Robert Morris Associates

### Banks Meet The Rising Farm Credit Demands

"As an industry, agriculture is in a very strong position financially," but bankers in great number are screening applications more carefully, a study by the Agricultural Committee of the American Bankers Association shows. According to the survey, about 25 per cent of all nonreal estate farm loans in the last twelve months were written for terms in excess of one year.

### Jeffrey Emphasizes NACM Services

### At Pacific Southwest Conference

Growth and development of the credit manager, the business outlook for the Pacific Southwest, atomic energy and the economy, a pre-election panel discussion of Republican and Democratic economic policies, and concentration on Group programs in the afternoons, highlighted the two-day Pacific Southwest Credit Conference, in San Diego.

Alan S. Jeffrey, executive vice president NACM, after outlining to-day's concept of the functions of the credit manager, discussed the services the National offers its members and the importance of making those services known to credit management.

Gordon McNary, of San Diego Trust & Savings Bank, general chairman of the conference, called the first session to order. After a welcome by Mayor Charles Dail and response by Elmo Trimble, credit manager of Wilson Paper Company, Los Angeles, past vice president NACM, J. P. McLaughlin, general credit manager and assistant treasurer of Richfield Oil Corporation, Los Angeles, president of the Credit Managers Association of Southern California, took over as chairman of the day.

A. J. Sutherland, senior vice president of Security-First National Bank, San Diego, 1950-51 president of NACM, introduced Conrad C. Jamison, vice president and manager of the research department of Security First National Bank, Los Angeles. Mr. Jamison discussed the "General Growth, Development and Business Outlook of the Pacific Southwest."

Presented by J. A. Landale, president of Colonial Textile Service and a director of National, Harry Wellhouser, nuclear engineer, General Atomic Division, General Dynamics Corporation, described how development of atomic energy will contribute to America's future.

K. S. Thompson, Wells Fargo American Trust Company, president of the Credit Managers Association of Northern and Central California, presided at the second day's general session.

With Irvin Reynolds, financial edi-

tor of the San Diego Union as moderator, viewpoints of the major political parties on the American economy were outlined by State Treasurer Bert Betts (La Mesa, Calif.) and Congressmen Edgar W. Hiestand, Altadena; George Kasem, Baldwin Park, and James B. Utt, Santa Ana.

Five Industry Groups had individual programs on both afternoons of the conference.

### Equipment Lease Plan Set

Typewriter adding-calculating machine and systems products of Remington Rand Division of Sperry Rand Corporation are included in a long-term lease program which Nationwide Leasing Company will underwrite.

### **Personnel Mart**

### ACCOUNTANT CONTROLLER

Budgets, Systems including IBM. Broad experience substantial corporations. Age 43. Present \$15M. Will negotiate. Address CFM Box #524.

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CREDITMAN ready to assume increased responsibilities at management level. College graduate—economics major; diversified work experience includes 4 years mercantile credit, 2 years banking at supervisory level, and 5 years part-time sales. Also hold Fellow Award—with distinction.

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#### HENSCHEN

(Concluded from page 21)

to follow up for current credit reports, and the actual preparation of the inquiry tickets.

The punched card applications just discussed also could be performed on electronic equipment, but this more powerful tool would permit you to get more sophisticated. For example, with the tremendous speed of EDP equipment, it should be quite possible to develop a very comprehensive daily program.

Let's look for a moment at what could be combined into a daily operation if accounts receivable were on magnetic tape.

### **INPUT**

- 1. Billed invoices for the day.
- 2. Collections for the day.
- 3. Adjustments, credits, and allowances for the day.
  - 4. Orders received for the day.
- 5. Customer's credit history and accounts receivable.
- 6. Credit history and rating for new customers, and changes for existing customers.
- 7. Carry-over suspense tape from prior day's processing.

### Output:

- 1. Updated customer's credit history and accounts receivable on tape.
- 2. Daily paid history by invoice number on tape.
- 3. Unpaid invoices which passed the discount date, available as a printed list.
- 4. Delinquent invoices, showing number of days past-due, available as a printed list.
- 5. Accounts requiring an inquiry ticket to obtain a credit interchange report, available on tape or as a printed list.
- 6. Orders received which cannot be approved on an automatic basis because they exceed credit limits or have no credit history on file, available as a printed list.
- 7. Suspense and control tape, containing all questionable items, such as collections not matching billed invoices. These items could be sorted by type later and listed for follow-up. Control totals, as of receivables and collections, could also be read out.

Let's assume we have a computer with sufficient capacity to accommodate all these inputs and outputs so

that in one computer run we can perform the following:

- (1) Add the credit history and rating for new customers and revise these data as necessary for present customers.
- (2) Add the new billings to the customers' accounts receivable, by invoice number, on the master tape.
- (3) Remove the invoices collected from the master tape and read these out on the daily paid history tape. This tape could be read and printed then merged with prior days' tapes.

Periodically, say monthly, a threemonth or six-month history or some other period of time to be selected.

PAUL A. HENSCHEN, currently director of management advisory services for the St. Louis office of Price Waterhouse & Co., previously served on the audit and MAS staffs of the New York office of the same firm, He is a graduate of Ohio State University.

could be printed for all customers or selected customers only. Such a listing probably would be made from this tape plus the master receivables tape so that the complete current history would be printed.

- (4) Add plus and minus adjustments, as for corrections, credits, allowances, write-offs, to the master tape, and remove from the master tape any invoices adjusted in entirety. Any invoices removed in this way would be read out on the daily paid history tape, appropriately coded.
- (5) Check each order to the master tape to ascertain the customer's credit history and to check the accounts receivable status, after the current day's collections and invoices have been recorded, and including either the precise or the approximate dollar amount of the present order received. Programing for this operation would be optional. You could read out each credit check or confine it to the exceptions that exceed the credit limit or have no credit history. You could arrange to print the credit rating and limits and the date these were last checked, in addition to customer's name, number, receivables status, and detail of open invoices.
  - (6) Check each invoice on the

accounts receivable tape and read out all unpaid invoices that are pastdue and all unpaid invoices that passed the discount date that day. This tape could be sorted by invoice date later for printing a daily pastdue status list and for actual preparation of past-due letters or statements.

(7) Check the status of each customer on the master tape and read out on tape all customers requiring a new credit interchange report. This tape could be used later to print the

credit inquiry tickets.

(8) All items in this daily processing which could not be processed under programed controls, such as the invoice number for a collection not matching an invoice number on the accounts receivable tape, would be read out on a suspense tape. These would be printed later for daily follow-up. Control totals of the various inputs, suspense and receivables increases and decreases, and accounts receivable totals, by customer or cycle or total only, could also be accumulated and read out on this tape. These totals should make it possible to check the overall accuracy of the computer run by comparison with input controls and balance controls.

This sort of data processing is possible on the equipment now available. While no single organization has installed all the functions just described, many companies now using, or planning to use, electronic data processing systems have incorporated elements of these functions in their programs.

We will see applications such as this in the future.

The activities we are discussing would probably never of themselves justify a tape EDP system but, considered in conjunction with other data processing applications, they may be enough to warrant the acquisition of such equipment.

Should your company be embarking on or planning an electronic data processing program, you as credit manager should play an active role in the project. You should provide leadership in establishing the requirements for adequate credit management information, and should also guide the development of the programs to handle the mechanics of credit decisions to insure that these activities fit into the overall data processing system.

Add to your knowledge of mechanical and electronic data processing at every opportunity.



J. F. FOX



LEVI BIIDNIS

### Executives in the News



J. E. TAYLOR



W. H. EMORY, JR.



E. L. KANTNEI



H. F. ALDOUS

### Executive in Memphis Road Equipment Company Honored

Loyal service to the Memphis Association of Credit Men has brought honor to Levi Burns, assistant secretary and credit manager Road Builders Equipment Company, Memphis, in his election to the presidency of the association. Additional recognition of service to credit is seen in Mr. Burns' membership in the Royal Order of Zebras.

Mr. Burns went with the heavy construction equipment distributor in the late '40s following six years in Europe with the Armed Forces. He is a member of American Legion.

### Virginia Executive Active In Building Supply Groups

Offices and memberships held by William H. Emory, Jr., vice president and general manager Southern Brick & Supply Company, Inc., Richmond, president of the Richmond Association of Credit Management, Inc., reflect industry activity in

depth. He is secretary Construction Specifications Institute, member Virginia Building Materials Association, Home Builders Association of Richmond, and State C. of C.

Mr. Emory was educated at Virginia Military Institute (B.S. civil engineering) and University of Richmond. Veteran of World War II, he is a lieutenant colonel, infantry, U.S. Army Reserve.

### Wide Range of Interests Is Served by New York Banker

Recently named president Rochester Credit and Financial Management Association, John F. Fox, assistant vice president Security Trust Company of Rochester, twice headed the Rochester & Central New York Chapter of Robert Morris Associates. He is past president Rochester Credit Men's Service Corporation, a director in several corporations and active in numerous civic and community organizations.

Mr. Fox was with Morgan Guaranty Trust Company of New York 1940-1945. He went with Security Trust in 1945. His "Church Loans by Commercial Banks" was honor thesis at Stonier graduate school of banking (ABA), Rutgers U.

### Toledo Executive Is Active in World Trade

Twice chairman of the World Trade committee, Toledo Area Chamber of Commerce, and currently member World Trade Advisory Board committee, Toledo-Lucas County Port Authority, John E. Taylor adds new dimensions to professional stature as president of the Credit Association of Northwestern Ohio. Mr. Taylor is credit and export manager Surface Combustion Division, Midland-Ross Corporation,

Toledo. He holds the Fellow Award, National Institute of Credit (1944).

Mr. Taylor started with National Supply Company in 1933 as assistant credit manager. In 1940 he went with Surface Combustion, where he set up the export department for affiliated divisions in Columbus.

### Secretary Tulsa Wholesalers Had His Start as Timekeeper

President incumbent of Tulsa Wholesale Credit Men's Association, E. L. Kantner went from high school to work as timekeeper and estimator for contractors. He now is secretary, acting treasurer, credit and office manager of Cooper Supply Company, Tulsa, which he joined in 1954 as credit manager and accountant. He holds a degree in accounting and business administration.

Following military service 1942-48, Pennsylvania-born Mr. Kantner went to Austin, Texas, where he attended college, went to work for the Lower Colorado River Authority, next to the General Land Office as accountant.

### Utah Bank Vice President Began As Messenger in '24

A former president of the Salt Lake City Bank Officers Association, Heber F. Aldous, vice president First Security Bank of Utah, N.A., Salt Lake City, now has won recognition for service to credit in election to the presidency of the Inter Mountain Association of Credit Men. Mr. Aldous also is member Robert Morris Associates and past treasurer Sugarhouse Rotary Club.

Mr. Aldous began his banking career in 1924 as messenger for National Copper Bank, which was acquired by First Security Corporation in 1929.



### Reports from the Field

- OMAHA, NEBR.- National legislation affecting the extension of credit was discussed by Sen. Carl Curtis (R.) and his opponent in the recent election Robert B. Conrad (D.) at the meeting of the National Association of Credit Management, Nebraska-Western Iowa Unit.
- Syracuse, N.Y.-Insurance in all its phases as it pertains to credit was topic of discussion by J. B. Nichols, Jr., director of public relations, American Credit Indemnity Co. of New York, Baltimore, at the dinner meeting of the Syracuse Association of Credit Men.
- PITTSBURCH, PA.—Ralph E. Brown, vice president Marsh & Mc-Lennan, Inc., St. Louis, president NACM, focused on "Tomorrow's Targets" in a talk at the Credo luncheon meeting of the Credit Association of Western Pennsylvania.

'Sales through Unusual Credit Arrangements" was subject of A. Douglas Hannah, executive vice president J. H. Hillman & Sons Co., at another Credo meeting. J. Paul Sheetz, vice president Rust Engineering Co., discussed "Currency Restrictions in Brazil's Dynamic Economy" at the meeting of the Foreign Credit Club of the association.

- San Francisco, Calif.—Bankrupto, par I featured meeting of the National Institute of Credit, Credit Managers Association of Northern and Central California. Ray Behneman was moderator, with these panelists: John O. England, receiver and trustee: James M. Conners, attorney for the Board of Trade of San Francisco, and Arthur Shapro, attorney, of Shapro, Anixter &
- DETROIT, MICH.-Panel on "Secured Credits" discussed what the creditman should know about guaranties, consignments, chattel mortgages, conditional sales contracts, trust receipts, field warehousing, at the Detroit Association of Credit Management meeting, Participants: Archie Katcher of the law firm Katcher & Feldman; Robert J. Skinner, Frigidaire Sales Corp.; Harold A. Heyer, district manager Lawrence Warehouse Co., and Robert M. Johnson, of J. B. Charters, Inc.
- PHILADELPHIA, PA.—The exposé of commercial frauds provided topic for panel symposium at the dinner meeting of the Credit Management Association of Delaware Valley.
- COLUMBUS, OHIO-"Rights of Debtors and Dangers to Creditors" was topic of Judge Robert M. Draper of the common pleas court, Franklin county, at the dinner meeting of the Columbus Credit Association.
- Boston, Mass.-"Education Or a Degree" was thought-provoking subject of Dr. James F. Baker, director Boston University division of continuing education, at the meeting of the Boston chapter, National Institute of Credit.
- Dallas, Texas—In his talk on "Automation, Data Processing and Computers" Henry R. Malinowski, manager education and training, Remington Rand, Dallas, touched on applications of equipment increasingly being used by businesses.

"The Small Business Investment Company" was subject, at another meeting, of R. A. Hall, secretary and director Small Business Investment Co., of the Southwest, Mr. Hall is vice president and general counsel of Bennett, Osborn and Hall, financial and management consultants.

GRAND RAPIDS, MICH.—Einar Johnson, regional director Small Business Administration Detroit regional office, and chairman Gateway National Bank, explained SBA's purpose, and how it affects business, for executives at the luncheon meeting of the NACM (Western Michigan) Inc.

"Voice of the Gavel" was feature of a subsequent luncheon meeting. David C. Nims, referee in bankrıptcy, U.S. district court, Western Michigan, assumed the featured referee role in the play.

- Los Angeles, Calif.--National Institute of Credit presented a panel discussion with Laurence T. Greiner, Pacific regional manager B. F. Goodrich Tire Co., as moderator and these executives as panelists: Knox Bourne, vice president and district manager McGraw-Hill Publishing Co.; L. B. Houghton, treasurer Union Oil Co. of California; Fred Maecherlein, credit manager Admiral Sales Corp., and E. O. Morgan, partner Morgan Asso-
- GREEN BAY, WIS.—Concentrated session in business letterwriting was conducted by Harold P. McQueen, Glenview, Ill., lecturer, for the NACM Northern Wisconsin-Michigan Unit, at Oshkosh.
- CINCINNATI, OHIO-William McKenzie, attorney, chairman Ohio Board of Commissioners on Uniform State Laws and member executive committee National Conference of Commissioners on Uniform State Laws, discussed the Ohio Commercial Code at the Credit Club luncheon meeting of the Cincinnati Association of Credit Management.
- ROCHESTER, N.Y.-Details about the consolidation of the Credit Bureau of Rochester and the Rochester Credit Men's Service Corp. were presented by means of color slides at the Management Night meeting of the Rochester Credit & Financial Management Association.

### Women's Groups

- PHILADELPHIA, PA .- Women's participation in the credit field provided subject for lively discussion by officers of the Credit Management Assn. of Delaware Valley at the "Know Your Association" meeting of the Philadelphia Credit Women's Club.
- BINGHAMTON, N.Y .- Chief of Police Leo R. Green, of Vestal, N.Y., discussed fraud and embezzlement at the meeting of the Triple Cities Credit Women's Club.
- ROCHESTER, N.Y.—"The Importance of Establishing a Good Credit Record" was defined by speakers Lee McCanne and Robert J. Walsh at the meeting of the Women's Group of the Rochester Credit & Financial Management Association.
- DALLAS, TEXAS-The economy in 1961 was topic of Leslie Peacock, assistant vice president Republic National Bank, at the regular meeting of the Dallas Association of Credit Women. A panel discussion followed, with these participants: Harold Gonzer, Rath Packing; William Chitty, Shaw Equipment, and C. G. Mc-Kellar, Medaris Co.
- Los Angeles, Calif.-Joseph Henry Wolf, attorney, spoke to the Credit Women's Club on "Wills and Probate."

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Ten questions that test the efficiency of your office—Symptoms of poor efficiency will stand out when you observe the office in the light of these questions. Or you can use work sampling, which is described.

How to organize definite tasks for the office force—Here is the easy, systematic way to assign definite tasks, using task lists and work distribution charts.

How to establish effective methods in the office—A review of the two chief techniques for testing and improving the efficiency level of your present office methods.

How to set time standards for office tasks—Here, in step-by-step form, is a case example of how to create sound time standards that can be easily attained by the average worker.

How to install your program of Practical Office Control—Based on experience in firms where this program has been profitably used, you get a plan of action to take, and pitfalls to avoid.

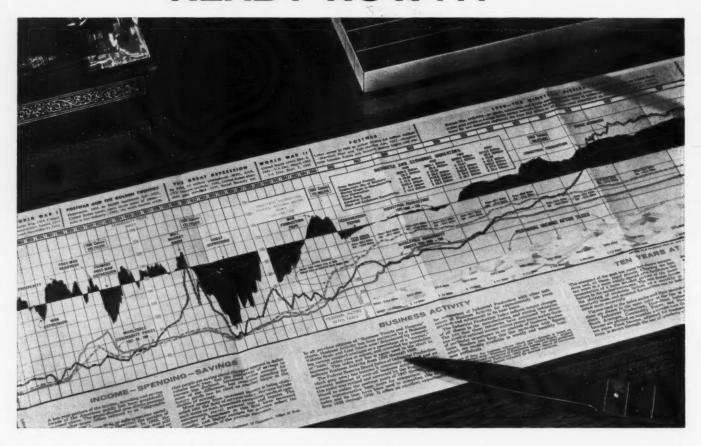
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